

FINAL

ETHEKWINI BUILT ENVIRONMENT PERFORMANCE PLAN 2020-21



Adopted 29 May 2020

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1 PLANNING ALIGNMENT FOR SPATIAL TRANSFORMATION

1.1 REASONS FOR THE BUILT ENVIRONMENT PERFORMANCE PLAN

The Built Environment Performance Plan (BEPP)¹:

- Key focus on the Spatial transformation in the Built Environment of Cities;
- Improve the performance of metropolitan built environments by promoting a more compact, integrated and transit-oriented urban form
- Enables the release by National Sector Departments of major Built Environment Grants based on the formulation of a clear plan that shows how the metro is going to achieve spatial transformation of marginalised areas and promote economic growth.

1.1.1 BEPP IN RELATION TO OTHER STATUTORY PLANS

The BEPP seeks to support the call of the National Development Plan as well as the Integrated Urban Development Framework which is also articulated in the City's IDP to support the spatial transformation of the built environment. Annually the city is required to articulate its investment and institutional arrangements to address spatial transformation needs in the urban environment reflecting on key areas such as;

- Alignment of the BEPP to the strategic priorities, programmes and targets established in the IDP
- The City's spatial targeting initiatives also incorporating the principles of SPLUMA and the need for a Capital Investment Framework
- City investment strategy over the 3 year period as per the Medium Term Revenue and Expenditure Framework
- The co-ordination of Public Spector capital investment in the City
- Strategic themes emphasised in guidelines issued annually by National Treasury; and
- Performance Measure such as Outcome indicators which reflect the impact of the interventions and investments made.

To guide economic, social and environmental development, metro's use several high-order instruments, as well as numerous project-level instruments. The IDP and the SDF² cover high-order thematic, institutional, and spatial planning. The Budgets and SDBIP deal with financing the IDP and SDF, and they set targets and monitor performance. The linkages between these four instruments tend to be weak. As a consequence, the outcomes and impacts that are sought at national or city level are often not fully achieved.

The BEPP is an attempt to address some, but not all, of those weak linkages, by collating the built environment aspects of the IDP, SDF, SDBIP, and Capital and Operating Budgets into a single line of sight. The BEPP has a long-term planning horizon to 2030, with intermediate milestones in 2020 and 2025.

1.1.2 APPROACH

The BEPP approach is to align, integrate and prioritise the spatial investment programs of the key sectors of the economy, transport and housing³. The BEPP is intended to be a reference point for municipal, provincial and national spheres and all key stakeholders to make informed decisions and investments in the built environment and for these role players to align their

¹ Guidance Note for the Built Environment Performance Plan (BEPP) 2016-17 – 2018-19

² As set out by Municipal Systems Act and SPLUMA

³ Guidance Note for the Built Environment Performance Plans for 2014-15. National Treasury. Nov 2013 UPDATE

plans and budgets in support of positive metropolitan outcomes. This is the inter-governmental collaboration that is being sought through the BEPP.

1.1.3 SPATIAL MISMATCH OF POPULATION CONCENTRATIONS & EMPLOYMENT

eThekweni has a spatial mis-match between areas of employment and areas of residence. This mis-match is exaggerated for the marginalised poor sectors of society who live furthest away from the developed areas which contain the bulk of employment and social services & opportunities. The map below reflects this spatial reality. The racial bias of the spatial mis-match is elaborated on the Fig 1 below⁴ and shows that no significant spatial transformation has occurred in eThekweni as the legacy of apartheid spatial planning is still visible.

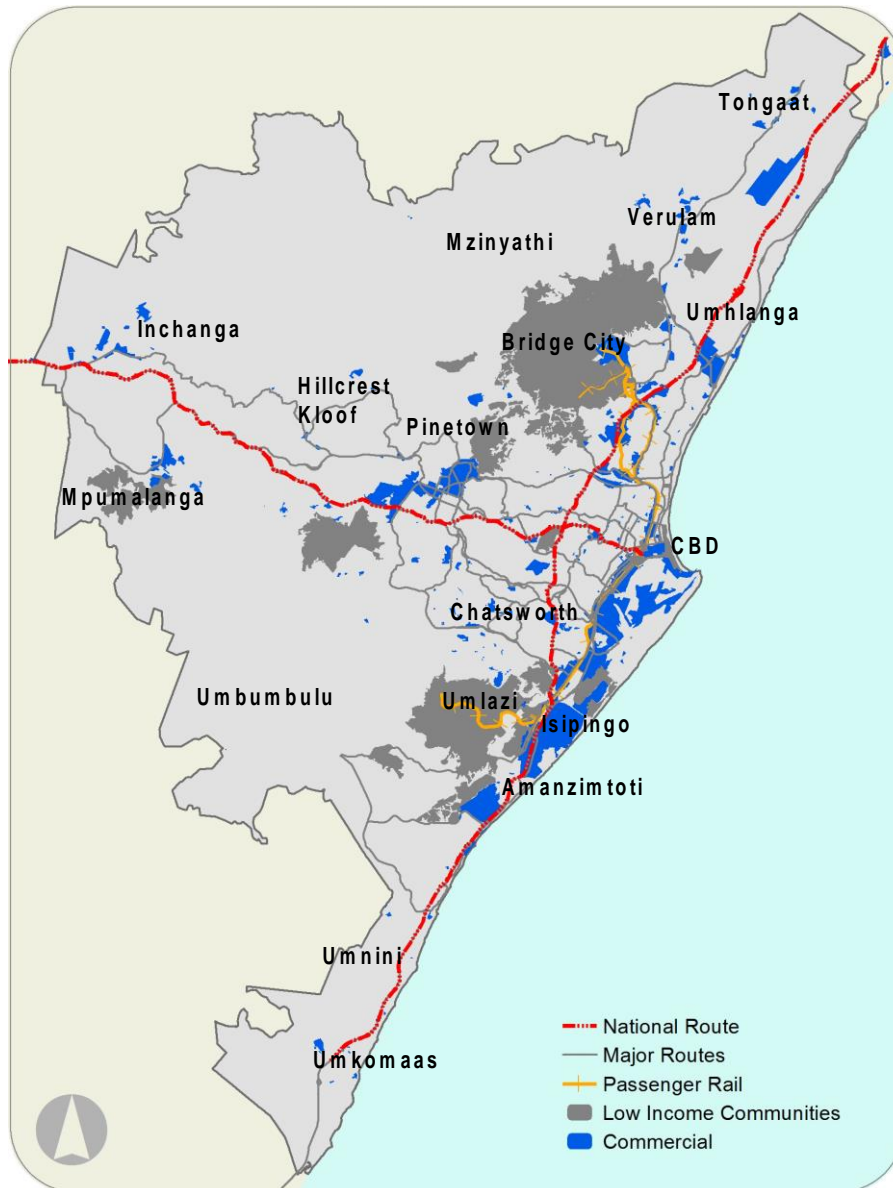


Fig 1 Location of Employment Areas in relation to Low Income Communities

⁴ Source: Schensul, D., Heller, P., "Legacies, change, and transformation in the post-apartheid city: towards an urban sociological cartography" 2010 in Dalberg 100 Resilient Cities, 2016.

The impact of the spatial segregation and disjunction between place of work and place of living on eThekweni poor households is significant in that transportation costs consume on average 17% as indicated in Fig2 below , and as high as 35% of household income based on the 2016 analysis below by Dalberg (2016)⁵.

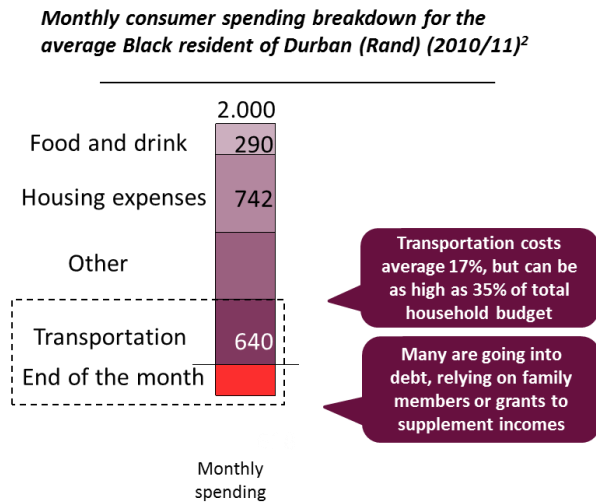


Fig 2 Monthly Consumer Spend for Average Black Resident

Durban also has the most expensive housing market relative to income (Dalberg, 2015) as per Fig3 below, which makes the spatial form even more resistant to change than in other metros⁶.

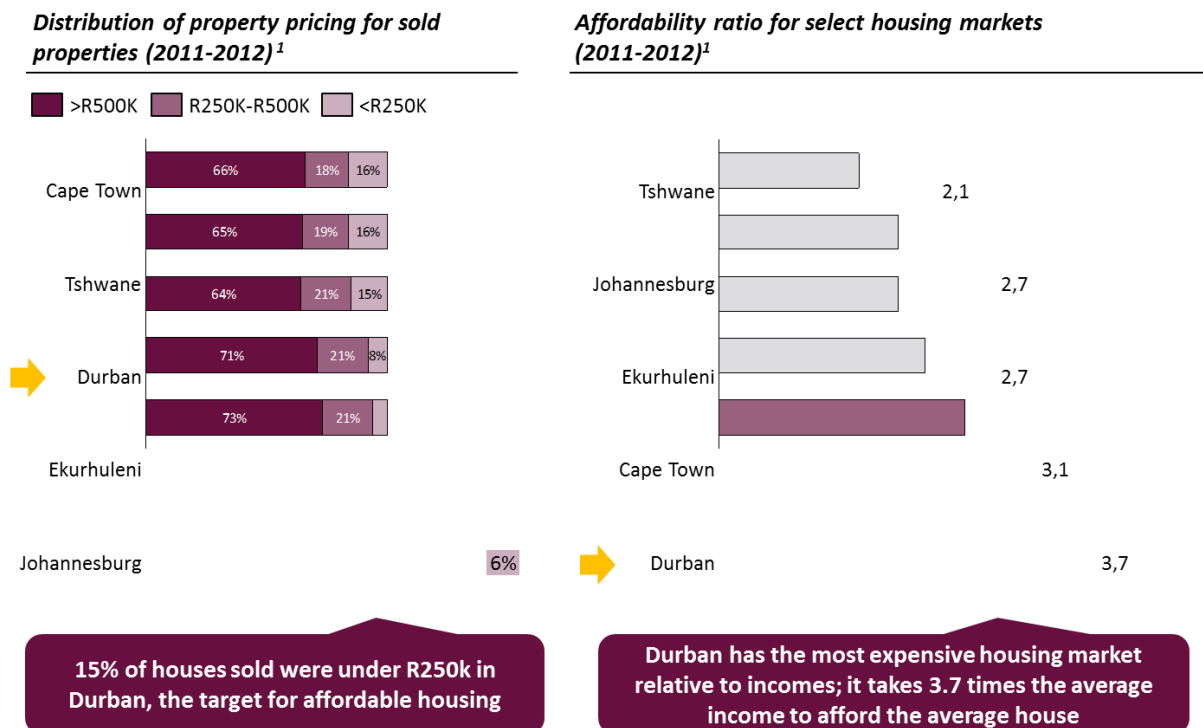


Fig 3 Distribution of Property Pricing and Affordability Ratio of Housing Markets

⁵ Assumptions: This assumes a median income for Blacks of ~R2000 per month; Daily roundtrip transportation costs to employment hubs of R32. Source: Income and expenditure survey 2010/2011; Dalberg (2016) analysis

⁶ Affordability ratio is a measure of how much of the average income is required to afford the average house Source: "Understanding housing markets in South Africa", Centre for Affordable Housing Finance in Africa, 2014

The high cost of housing near job centres and the high costs of transportation leads to the growth of informal settlements. In the 2016 analysis by Dalberg, A **spatial development plan that supports social cohesion and economic inclusion** by enabling access to decent housing, good jobs, basic services, and access to public space, would support a more resilient city. (Source: Durban's Preliminary Resilience Assessment (2016).

1.1.4 PUBLIC TRANSPORT CORRIDORS ARE THE LEVERS FOR CHANGE

The geographic shape of eThekweni has numerous negative impacts on especially the poor segments of our society including the peripheral location of both informal settlements and townships which results in long and expensive travel for the residents which erodes household budgets and increases time spent away from home and families. The reliance on public transport (rail and taxis) is significant and these services are often unreliable and unsafe. Access to social facilities is not easy and convenient. Many additional ills exist but the question remains how one can change this situation in an environment where the resources do not equal the need. In such a situation one needs to focus on levers that will bring about long-term change. The public transport corridors are the levers for change. The provision of a reliable public transport service is in its first phases with the GO! Durban project.

What is required now is to focus our attention and resources around these corridors in order to effect spatial transformation. As a municipality, we must promote higher density housing for mixed income groups alongside transport spines in order to bring poorer residents closer to the benefits of the urban area without creating ghettos. We must provide opportunities for employment close to these transport corridors in the form of mixed land uses in order to reduce commuting time and cost. We must build social facilities close to these corridors to allow easy access to schools, clinics and hospitals, parks, community halls, libraries, government service points and the like. We must improve transport connections between marginalised areas, urban hubs and Central Business Districts (CBDs) and other growth/employment areas in order to efficiently link people and jobs and other urban opportunities. This is the theory of change embodied within the BEPP and is represented below in Fig 4.

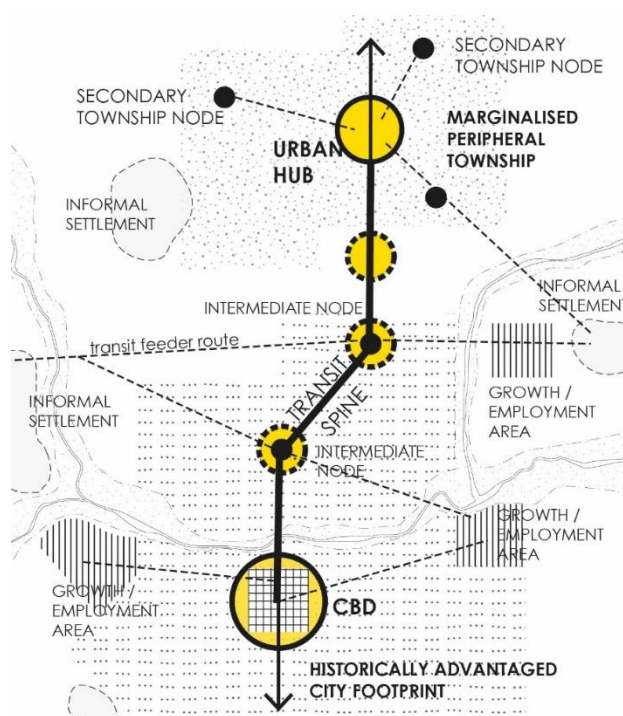


Fig 4 Theory of Change

1.1.5 INSTITUTIONALISING THE BEPP IN THE MUNICIPAL PLANNING SYSTEM

The IDP is the highest-level policy document in the municipality and is structured into 8 Plans covering all areas of service delivery. The BEPP is an integral part of the IDP and the two documents are completely aligned in so far as the promotion of spatial transformation and economic growth & transformation are concerned.

The BEPP follows the strategic direction set in the SDF and there is a high level of accord between the spatial priorities of the SDF and the BEPP. These priorities were presented in an integrated form during the Capital Budget internal engagements at the end of 2018- see map below.

Both plans give prominence to promoting economic growth, higher residential densities and mixed land uses along the first phase of the public transport routes – this gives effect to a transit-oriented development approach:

- The Prime Investment Corridor incorporates all of the SDF Priority Urban Investment Areas (circled in red on the Integration map below);
 - Aerotropolis/Cornubia;
 - Inner City Regeneration;
 - SIP2 / Cato Ridge / Keystone/ Hammarsdale;
 - South Illovo;
 - Port and Back of Port;
 - Land Uses to support IPTN/ Densification (C2 and C3 corridors);
 - Inner City;
 - Bridge City;
 - Umlazi;
 - Pinetown; and
 - Mpumalanga.
- Many of the Catalytic Projects within the BEPP display an excellent alignment with the SDF Priority Urban Investment Areas (see Section D);
- Marginalised Areas are identified in the SDF and are geographically dispersed across the metropolitan area covering urban and rural locales. The BEPP prioritises a sub-set of these areas focusing on the marginalised areas closest to the IPTN in order to effect spatial transformation as rapidly as possible. The Marginalised Area responses from municipal line departments tends to be dominated by the Human Settlement Programme with other municipal departments providing a supporting, rather than guiding role. The current prioritisation model within the Human Settlement Department prioritises its programmes according to the same logic as the BEPP. However, given historical project commitments, it will take some time to unwind the legacy of peripheral human settlement programmes; and
- Priority Rural Investment Areas⁷ are not discussed in this BEPP since the BEPP is aiming to achieve spatial transformation in the densely settled urban area in close proximity to transit corridors. Rural areas will no doubt receive budget despite not having a focus in the BEPP. The principle of developing integrated programmes for implementation must apply to all municipal programmes across all geographic spaces. The fact that some areas do not get prominence in the BEPP, does not mean that they will not receive budget or will necessarily experience dis-integrated delivery.

The approach in the BEPP has been to describe the content of integrated municipal responses within the public transport-focused integration zone or Prime Investment Corridor and to suggest development yields, resourcing requirements, and likely timing i.e. to interpret the bulk of SDF Priorities into Strategies and high-level Program Descriptions for implementation by all municipal departments. In this sense, the BEPP is assisting the SDF by taking a large slice of the SDF priorities and elevating them to a corporate level within the municipality for budget allocation and implementation by all municipal departments. In

⁷ The SDF records the following Rural Node priorities: Mpumalanga/KwaXimba/Inchanga/Mzinyathi/Umbumbulu/Umnini

this respect the BEPP is strengthening the SDF by assisting with the emergence of the Capital Expenditure Framework as envisaged in SPLUMA (SPLUMA, 2013 s 21(n)).

1.1.6 SDF SPATIAL THEMES AND PRIORITIES

The SDF interprets the IDP into several Spatial Themes, which then, through a Planning Prioritisation Exercise, have been translated into the current Spatial Priorities which can be seen in Fig 5 below, overlaid on the Integration Zone or Prime Investment Corridor. Priority Investment Areas of the SDF align with the focus on the Prime Investment Corridor in the BEPP. The alignment map below has been used to reflect a single spatial narrative in the Capital Budget meetings held with top management officials from all municipal departments held between December 2019 and February 2020.

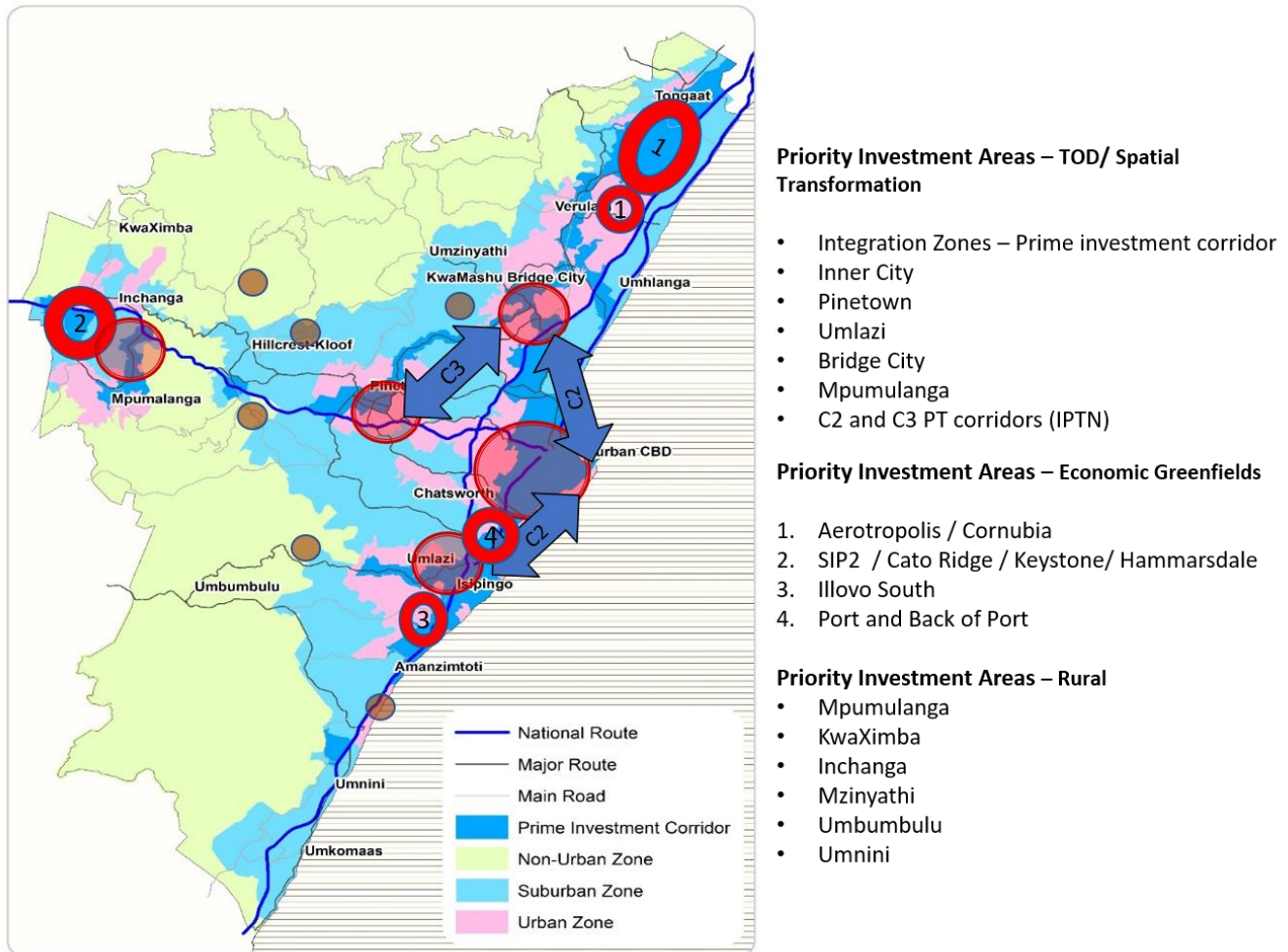


Fig 5 SDF Spatial Priorities and Prime Invest Corridor

1.1.7 PROCESS FOR ALIGNING THE BEPP, IDP, SDF, AND BUDGET

1.1.7.1 STRATEGY LED BUDGETING PROCESS⁸

The Spatial Planning & Land use Management Act (SPLUMA) requires that the SDF has a Capital Expenditure Framework (CEF) to show how the municipal budget is implementing SDF priorities. The BEPP fulfils the role of linking the SDF to the municipal budget.

eThekweni has historically not practiced spatial budgeting in the sense that the budget process is not designed in a way that allows spatial priorities to explicitly direct the budget allocations of municipal departments or the project mix. Despite this, there is enough exchange of information within normal municipal business to allow for a reasonable alignment of budgets with spatial priorities expressed in the SDF and BEPP. The fact that the SDF and Package of Plans creates the land use envelope for development approvals is a major factor promoting some degree of alignment of the municipal budget and development priorities as expressed within the SDF. The alignment of grant funding conditions in support of the BEPP contributes to BEPP/Budget alignment. Experience has however shown that the municipal departments work strongly within their own functional silos and there is a weakness in the management of necessary integration across silos. The result is that some departments may prioritise their budgets according to SDF and/or BEPP spatial priorities, but other departments may spend their budgets in altogether different geographic locations. This often leads to the provision of a partial package of services by geographic location. Also, even if departments are aligned in terms of geographic priorities, the other weakness is temporal misalignment of budgets where departments allocate budget amounts to achieve implementation according to a timeframe that is different to other departments. This leads to inefficiencies and once again, to partial service delivery to the public.

The Office of the Chief Strategy Officer has designed and started to implement an IDP/SDF/BEPP/Budget/Performance & Programme Management road map which will explicitly bring spatial targeting into the budgeting methodology. The intention is that the projects and budgets of municipal departments become aligned in geographic space and begin to be packaged in the form of programmes that are temporally aligned and that deliver integrated human settlements and public spaces as well as infrastructure & precinct management that support economic growth.

The focus in the last BEPP and also moving forward this year has been on improving programme management but a new spatial filter has been introduced. All the projects in the MTREF have been through quality assurance assessments to determine if they are justified and if they are properly packaged for implementation. A spatial filter has been introduced into this process to ensure that there is an evaluation of where projects are located geographically and to give higher scores to projects that both occur within and support transit corridors. This is a big step forward from a spatial planning perspective since for line departments the pathway to the budget will for the first time include a spatial evaluation.

Improvements in the accuracy of spatial co-ordinate information in the capital budget, as required by MSCOA, is assisting with elevating the spatial considerations in the Capital Budget process. Via the District Development Model Implementation the city is able to access National and Sector Departments spatial projects which has improved the credibility of the level of information and budget spend in the municipality.

⁸ Dealt with in more detail in Section F

1.2 ENABLING THE DRAW-DOWN OF MAJOR BUILT ENVIRONMENT GRANTS

The BEPP is a requirement of the Division of Revenue Act (DoRA) for the drawdown of six Built Environment Grants, namely:

- USDG – Urban Settlements Development Grant;
- HSDG – Human Settlements Development Grant;
- PTNG – Public Transport Network Grant;
- NDPG – Neighbourhood Development Partnership Grant;
- INEP – Integrated National Electrification Grant; and
- ICDG – Integrated City Development Grant.

These grants make up a significant percentage of the Capital Budget, especially the HSDG and the USDG. The PTNG contributes significantly to both the Capital and Operating Budgets. The intention of the municipality is to integrate and direct as much of the grant expenditure into the Prime Investment Corridor (PIC) recognising firstly that this will take a number of years to achieve and secondly that, in particular the USDG, is applied over large geographic areas (due to the grant framework requirements which emphasises service delivery to marginalised areas) and hence this grant expenditure is likely to reflect high levels of misalignment with the Prime Investment Corridor (PIC). However as much as possible of USDG funding will be allocated to Marginalised Areas abutting and in close proximity to, the PIC.

Products of the BEPP include the identification of a pipeline of catalytic urban development programmes & projects within or close to the Prime Investment Corridor, as well as expressing development programs for marginalised areas which collectively will support the achievement of targets associated with building more productive, liveable, inclusive and sustainable cities.

The Built Environment Value Chain is based on the logic of having a direct link between planning, budgeting, implementation, urban management, reporting and evaluation and eThekweni is showing substantial progress in this regard.

1.2.1 EVOLVING FOCUS OF THE BEPP

The BEPP's focus has expanded with each successive year:

- 2014-15 - Identification and planning of Urban Networks and Integration Zones;
- 2015-16 - Identification and planning of Catalytic Projects;
- 2016-17 - Identification of Marginalised Areas & responses thereto and further detailing of the Catalytic Projects;
- 2017-18 - Review of Integration Zones to reflect spatial targeting approach:
 - Overcoming weaknesses as identified within the BEPP evaluation reports;
 - Refinement of Integration Zone and review of the UNS;
 - Reflecting detailed planning & implementation of projects within the Prime Investment Corridor;
 - Identifying employment & economic growth areas;
 - Consolidating spatial planning, project preparation and prioritisation via transit-oriented development plans and programmes in prioritised integration zones; and
 - Establishing an actionable intergovernmental project pipeline via portfolio management and project preparation tools;
- 2018-19 - Continuing with the focus areas identified in 2017-18 and introducing strategies for other targeted areas; and

- 2019-20 – Introducing a Strategy Led budget process & transversal management and at the same time giving primary focus to the implementation of the CLDP.
- 2020-21 – Embedding and strengthening a Strategy Led budget process. Consolidate the integration between the IDP, BEPP and SDF. To Use the District Development Model Platforms to address areas of Intergovernmental Planning and implementation.

1.3 BEPP PREPARATION PROCESS

The BEPP preparation process follows the annual inter-governmental integrated development planning and budget cycle and culminates with Council approval. Accountability for preparing the 2019/20 BEPP rests with the City Support Programme Collaboration Forum and its secretariat. The Forum represents a collective of key municipal departments, and is chaired by the Chief Strategy Officer, and enjoys the support of the National Treasury CSP Coordinator for eThekweni. A plethora of inter-governmental engagements also occur between municipal line departments and national and provincial sector departments to discuss and align planning, budgeting and implementation across the various spheres of government and this is an ongoing process every year.

1.3.1 MILESTONES FOR THE PREPARATION OF THE 2020/21 BEPP

MILESTONE	DATE
Meeting of City Support Programme Collaboration Forum with National Treasury, to receive feedback on BEPP evaluation	December 2019
Engagements with key municipal departments	December 2019 to March 2020
Submission of 1st Draft BEPP to the National Treasury & place document on municipal website	29 March 2020
Receive comments on Draft BEPP	April & May 2020
BEPP Review & refinement to address comments from sector depts. & other IGR stakeholders & amendments to SDF, IDP and Budget	April & May 2020
Budget Benchmarking at National Treasury	May 2020
Presentation of Final Draft BEPP to EXCO	May 2020
Approval of BEPP, IDP, SDF and Budget at Full Council	29 May 2020
Submission of the Approved BEPP to NT	June 2020
Share Final BEPP 2019/20 with IGR stakeholders & place on municipal website	June 2020
Incorporation of BEPP Indicators into SDBIP	July 2020

Table 1 Key Milestones

1.3.2 CONSOLIDATED PROCESS MAP AND TIMELINES FOR PREPARATION OF THE BEPP, IDP AND SDF REVIEWS, AND THE MTEF

MILESTONE	DATE
IDP Process Plan Draft to Council	Aug 2019
Approval of Process Plan (SDF and IDP together with Budget)	Sept 2019
BEPP Drafting begins	Oct 19 – Jan 2020
Preparation of Draft IDP and SDF	Oct 2019 – Jan 2020
Draft SDF sent to Council for Noting and Recommendation for Public Participation (60 days)	Feb 2020 – April 2020
First Draft IDP to Council for Noting and Submission to MEC COGTA	March 2020
First Draft BEPP to National Treasury stakeholders & place document on municipal website	29 March 2020
Public Participation of Budget, SDF and IDP – Comment period	April 2020
Regional and Ward Workshops on Budget, IDP and SDF	April 2020
BEPP, SDF, IDP assessment by sector Department	April 2020
BEPP Review to address comments from sector depts. & other IGR stakeholders	April 2020
Budget Benchmarking at National Treasury	May 2020
Incorporation of public participation comments	May 2020
Preparation of Final draft IDP, SDF and Budget	May 2020
Review of the Draft BEPP based on amendments to SDF, IDP and Budget & other inputs/comments received	May 2020
Presentation of BEPP, IDP, SDF and Budget to Council Sub-Committee and then EXCO	May 2020
Approval of BEPP, IDP, SDF and Budget at Full Council	29 May 2020
Final BEPP- submission to National Treasury	June 2020
Share Final BEPP 2017/18 with IGR stakeholders & place on municipal website	3-4 June 2020
Incorporation of BEPP Indicators into SDBIP	1 July 2020
Approval of BEPP indicators as per the SDBIP approval process by the Mayor	May 2020

Table 2 Timelines and Process map for IDP/BEPP/Budget approval

1.3.3 KEY AREAS OF SPATIAL ALIGNMENT OF THE BEPP, IDP, SDF AND BUDGET

SPATIAL ELEMENT	BEPP	IDP	SDF	CAPEX	OPEX
Prime Investment Corridor	X	X	X	X	X
UNS – Primary Elements	X	X		X	X
UNS – Secondary Elements	X	X		X	X
Marginalised Areas	X	X	X	X	X
HS Mega Projects	X	X	X	X	X
Own Catalytic Projects	X	X	X	X	X
IGR Catalytic Projects	X	X (SIP)	X		
Urban Management	X	X	X		
Climate Responsiveness	X	X	X		

Table 3 Alignment Table indicating Key Spatial Elements

1.3.4 SYNCHRONISATION OF THE BEPP APPROACH AND RESULTS INTO THE IDP, SDF AND BUDGET

Alignment between the IDP, SDF and BEPP is confirmed. The same material content can be found within each of these documents for transport corridors, marginalised areas and catalytic projects. The UNS requires review in that the eThekweni Integration Zone follows the phased roll-out of the public transport network and as a result, is more extensive than the historical UNS which has been focused on township revitalisation. The process of spatial budget alignment has been initiated and the emergence of a strategy led budget process will gain momentum from here on and will have a major impact on the outer year of the MTEF (given that the two inner years are fully committed historically). In this sense the BEPP process is driving the linkage between spatial plans and the municipal budget and is assisting with the collaborative development of a Capital Expenditure Framework in alignment with the SDF which is a SPLUMA requirement.

1.3.5 ADOPTION OF THE BEPP BY THE MUNICIPALITY

The Final Draft BEPP 2020-21 is due to be presented to the Executive Committee in May 2020 and to full Council on 30 May 2020 and will run in parallel with the adoption process for the IDP 2020-21 and the SDF 2020-21. Extracts from the minutes of these proceedings will be availed once they have been published.

1.4 CLIMATE RESPONSIVENESS & RESILIENCE

The City climate change risk and vulnerability assessment from the early 2000s has recently been updated through the City's engagement with the C40 Deadline 2020 project, whereby Durban is busy producing a Climate Action Plan that will align the City's climate response ambitions with the aim of limiting global average temperature change to below 1.5 °C. The vulnerability assessment focussed on four key areas: heat, drought, pluvial flood and coastal flood:

- For Heat, very high levels of risk are projected for decreases in water quality (worsened by malfunctioning municipal infrastructure like wastewater treatment works) and power outages and higher energy consumption. High risk is associated with heat stress and increasing vector- and water-borne diseases. Medium risks are associated with changes in species' migratory patterns and loss of ecosystems and biodiversity;

- For Drought, very high levels of risk are projected for threats to tourism industry and events, decreases in water quality and power outages and higher energy consumption. High risk is projected for vector- and water-borne diseases;
- For Pluvial Flood, there is a very high risk of damage to public and private property and decreases in water quality. There is a high risk of increased upstream erosion and downstream siltation and overflowing sewerage systems; and
- For Coastal Flooding, associated with sea level rise, there is a very high risk of threats to tourism and events and impacts on shipping/ sloshing in the harbour. There is a high risk of displacement of people and loss of life, loss of primary dunes and threatened dune infrastructure and a medium risk of loss of ecosystems and biodiversity.

Climate Change is mainstreamed into eThekwini Municipality's Integrated Development Plan in Plan One, Develop and Sustain Our Spatial, Natural and Built Environment, within the Climate Response Planning Strategic Focus Area, in Programme 1.4: Develop and Implement a Municipal Climate Protection Programme, which includes both adaptation and mitigation foci. Transversal implementation of climate change within the City is through implementation of the Durban Climate Change Strategy, which integrates mitigation and adaptation in a single response mechanism. Governance structures associated with implementation of the DCCS advance transversal management through a coordinating body that drives implementation, namely the DCCS Technical Task Team. The TTT comprises senior administrative leadership (Heads of Units) in the City across a range of line functions responsible for implementing the DCCS. The TTT meets monthly to coordinate and drive implementation of the DCCS. The TTT is supported by a sub-committee of senior managers and deputy heads responsible for implementing projects within the DCCS. The Chair of the TTT reports to eThekwini Mayor, who chairs the Municipal Climate Change Committee, who provide oversight of implementation of the City's climate change response.

PART B

2 SPATIAL PRIORITISATION

2.1 SPATIAL PRIORITISATION METHOD

2.1.1 PRIORITISATION APPROACH

In eThekweni, the technical prioritisation of projects currently takes place at the level of individual municipal departments. This is where the non-integration of programmes has its roots since until recently there has been no common narrative about how the municipality is going to develop spatially or temporally and hence no common reference point against which to evaluate priorities and make project choices. As a municipality, we need a common framework for prioritisation as well as models/tools for evaluation and formal administrative structures where prioritisation can take place. The prioritisation models range from the macro or strategy level to the micro or project evaluation level and a number of these models are already available and/or in use. The prioritisation structures have been initiated in the form of Cluster Investment Committees (CICs) which evaluate the budgets at Cluster level.

The Integrity & Accountability (IntACT) project has been completed and an Improvement Plan compiled with a number of recommendations that need to be implemented to enhance the integrity of the development application & infrastructure approval processes which are central to the issues of project prioritisation and resource allocation.

2.1.2 EXISTING PRIORITISATION MODELS

eThekweni has a hierarchy of models that it uses to assist in prioritisation. Models need to be applied at different levels depending on their nature. Some models are focused on the strategy or programme level while others have more of a project level application.

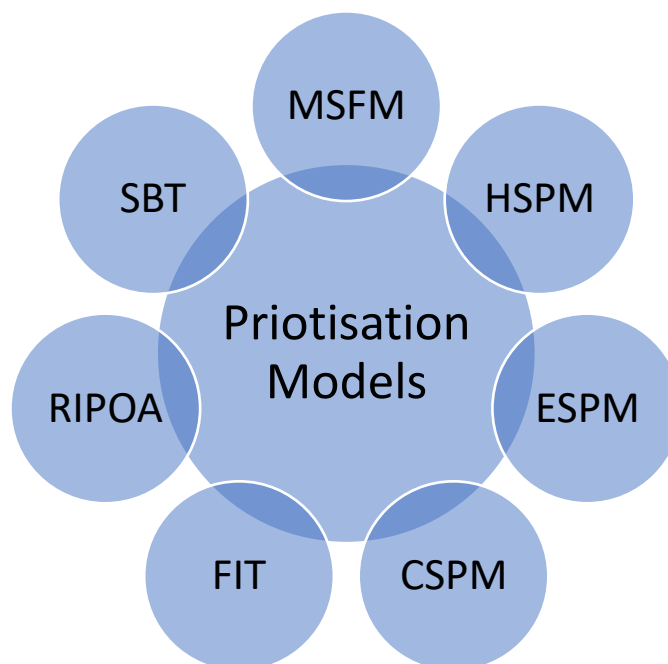


Fig 6 Prioritisation Models used in the City

2.1.2.1 THE MSFM (MUNICIPAL SERVICES FINANCE MODEL)

The MSFM (Municipal Services Finance Model) is a strategy level budgeting tool which allows for the formulation of development scenarios and to understand their impact on the capital and operating budgets of the municipality. The MSFM has four main pillars, namely Social, Economic, Asset Management and Administrative Spend and one is able to prioritise between these as well as between major municipal programmes such as housing, basic services, economic growth etc. The MSFM is a non-spatial model so the spatial aspect needs to be developed separately.

2.1.2.2 THE HOUSING SPATIAL PRIORITISATION MODEL (HSPM)

The HSPM is a well-developed and reasonably mature model, first developed in 2012. The model ranks projects relative to each other and has been used mainly to assess the Informal Settlement Upgrading and Greenfield Housing Programs. This model is detailed further in the Marginalised Areas section of this BEPP.

2.1.2.3 THE ECONOMIC SPATIAL PRIORITISATION MODEL (ESPM)

This model is currently under development. Its origins are the Durban Investment Dashboard (DID), which tracks major private sector interest in property developments for economic uses. Some of the performance aspects that the DID already tracks are Rates Returns, Permanent Jobs, and Temporary Jobs, and Investment Value, and these indicators are likely to be the departure point for establishing economic prioritisation criteria.

2.1.2.4 THE CORPORATE SPATIAL PRIORITISATION MODEL (CSPM)

This model is in the development stage. Its logic is that the nature, impact, location, and size of a project are what count most, and timing and technical factors should be taken into consideration after that. The CSPM is applicable to Core Infrastructure, Social Infrastructure and Economic Infrastructure. It deals with Core Infrastructure differently, in that the location of Core Infrastructure is very often different to the locations where its impacts are felt.

2.1.2.5 FISCAL IMPACT TOOL (FIT)

This is a project level tool to assist in comparing the cost of undertaking a project in a range of different geographic locations and was developed by National Treasury in conjunction with the metros. This kind of tool could complement a non-spatial tool like the MSFM. The City of Cape Town has refined this model and eThekweni has started engagements with officials from the Cape metro with a view to understanding the improvements made and the applicability to eThekweni.

2.1.2.6 RAPID INTEGRATED PROJECT OPTIONS ASSESSMENT TOOL (RIPOA)

This is a project level tool that assists one early in the project investigation/viability stage to deal with the project options that the EIA legislation requires. It is a useful tool to populate prior to committing to a course of action as it allows one to consider the options that would be closed down if one committed to a project without such a consideration. In this sense key risks are identified early which leads to better project selection as well as a reduction in potential time lost due to hold-ups in project approvals later in the process.

2.1.2.7 SPATIAL BUDGETING TOOL (SBT)

eThekweni intends operationalising a spatial budgeting tool to assist with guiding the municipal capital and operating budgets spatially to achieve a range of development objectives. The municipality has started the evaluation of potential tools to determine compatibility with existing municipal information systems. An IDP/SDF/BEPP/Budget/Performance Management roadmap has been compiled to understand the key steps in these municipal processes and also to identify the opportunities in the budget cycle for introducing the spatial evaluation of candidate projects being submitted for capital budget funding.

2.1.2.8 CLIMATE RESPONSIVENESS & RESILIENCE

The City is addressing CR&R in spatial planning and spatial targeting through the development of the Climate Resilience Implementation Spatial Plan (CRISP) for the eThekweni Spatial Development Framework (SDF). CRISP identifies key climate risks and vulnerabilities from the DCCS and CAP and provides a spatial representation of implementation. The CRISP will be drawn,

along with a range of other climate change-focussed plans and strategies, into an integrated DCCS implementation plan by 2021.

The CRISP set out to achieve climate sensitive spatial planning within an itemised implementation plan by reviewing the SDF and producing an analysis report following interviews and interactive workshops. The CRISP identified spatial responses to themes of the DCCS and recommended changes to the SDF and lower order plans by theme. The project was completed in April 2017 and incorporated into the Municipal SDF.

A practical example of climate change spatial planning was the recently completed isiPhingo Urban Design Climate Workshop, which analysed the isiPhingo Regeneration Project (a City priority) through the lens of climate projections (heat and flooding) in 2050 and comparing against a business as usual approach. The UDCW considered efficiency of urban systems, urban form and function, building materials and green infrastructure in developing a set of recommendations for the isiPhingo Regeneration project following a stakeholder engagement process.

Further detail can be found on the following weblinks:

<https://ethekweni.maps.arcgis.com/apps/MapSeries/index.html?appid=4c59620219d343a1aec468b87aa0ffc5>

http://www.durban.gov.za/City_Services/development_planning_management/environmental_planning_climate_protection/Pages/Durban-Climate-Change-Strategy.aspx

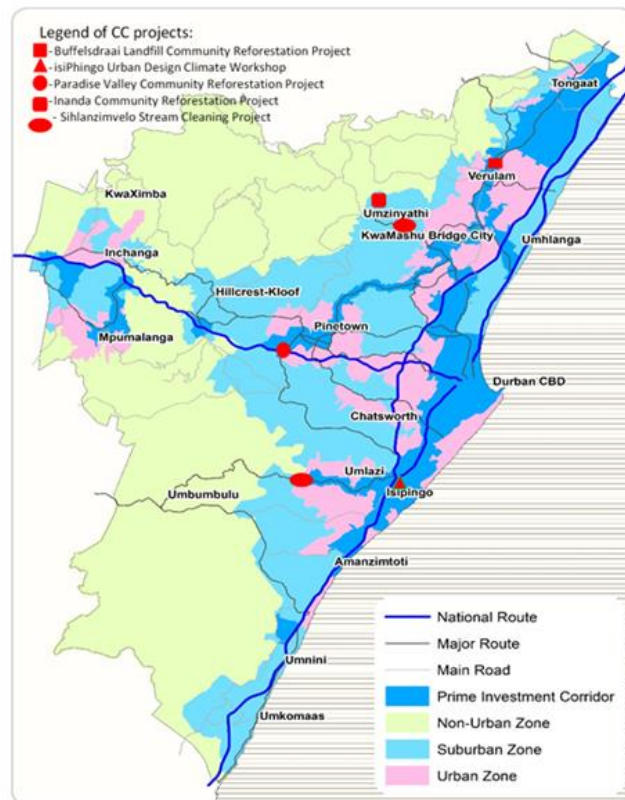


Fig 7 Climate Responsiveness and Resilience Projects in relation to the Prime Investment Corridor

The IPTN plays a key role in the City's Climate Action Plan and as with and business practice recognises that to save costs and increase value it must adapt to change in the economic and social spheres, as related to environmental responsibility and social justice. As the world changes, so too do stakeholder engagement, sources of revenue and the shape of competition. In particular:

- Organisations must take responsibility for the environmental and social costs of their activities e.g. the introduction of a carbon tax or legal protection for disempowered people.
- There is a need for operational efficiency, such as through a reduction in water, energy and materials use, or a reduction in waste.
- Sustainable credentials are a key indicator of inherent corporate quality, with serious reputational damage being at stake if social or environmental values are not visibly promoted.
- New opportunities arising from the 'green economy' rather than traditional practices, as evidenced by modern information technology companies displacing traditional business sectors.

The Approach that is relevant to the ETA and implementation of the ITPN are detailed below in table 4

Approach to Value Capture	Types of Action
New Service offerings	<p>Introduction of new services – types, schedules. Embracing of 'future' technologies can contribute to avoiding stranded assets in the form of unusable infrastructure or vehicles, and anticipate the changing. balance between low-skilled labour and automation</p> <p>Prepare for disruptive technologies ahead of time to avoid anarchy and chaos</p>
Alternative infrastructure solutions	<p>Repurposing infrastructure to accommodate additional transport modes.</p> <p>Accommodating new risks, such as those emanating from climate change, into the design of infrastructure to avoid costly damage or malfunctioning.</p>
Improved efficiencies	<p>Reduction in operational costs through energy efficiency, and internalising the savings rather than passing it on to consumers.</p> <p>Avoiding carbon penalties through sensitivity towards the carbon footprint of infrastructure roll-out and system operation</p>
Managing a corporate sustainability reputation	<p>By showing that operational success benefits people and the environment, and not only the financial bottom line of the corporate entity, clients and other stakeholders are persuaded to invest their resources</p>

Table 4 Alignment Table indicating Key Spatial Elements

The IPTN has began implementing some of the above technologies eg the replacement of first 100 fleet buses that are Environmentally Friendly, improved scheduling to achieve efficiency in fleet and move to cash less transactions to name but a few interventions.

Financing Climate Responsiveness and Resilience

This was one of key findings of the Climate Action Plan (CAP) development and recognised that whilst it was easy to commit to ambitious targets but the ability of city practitioners to implement transformative approaches that will assist in meeting global targets needs to be improved. In this regard, the City, together with C40 are busy with the development of a resource plan that guide the financing of the various key interventions identified in the Climate Action Plan. The resource plan will also include mainstreaming of climate change resilience into core investment and delivery of infrastructure and services in cities.

A transition towards a carbon neutral, climate resilient Durban by 2050 will require a shift from the existing Business As Usual approach to budgeting and project finance. Achieving the large infrastructural actions set out in the Climate Action Plan is dependent on the City's ability to access the necessary finance.

Given that climate change is an unfunded mandate in Durban's budgeting structure, finance has been highlighted as a significant barrier to implementation in many departments. Furthermore, the City prioritises the provision of basic services, having limited resources to incorporate climate change actions and measures. The high capital costs of sustainable infrastructure, uncertainty around new technologies and existing City structures that lock in traditional infrastructure are additional barriers. Lastly, while there are a number of avenues to access grant funding through Development Finance Institutions (DFIs) and dedicated green, climate funds, Durban lacks sufficient capacity and resources to develop suitable bankable projects. Accessing grant funding requires a new set of skills, including an understanding of legal structures, finance and budgeting as well as proposal writing, which were traditionally not required for technical staff.

Therefore, financing the CAP will be accomplished through various mechanisms, depending on the action type and finance needed. The points below highlight the measures that the City will undertake to access the finance required for a sustainable transition.

Fund climate change action through the City's existing budget

- Mainstream climate change to incorporate into the City's existing budgetary framework through the development of a Green Procurement Policy ensures that replacement of old infrastructure incorporates low carbon, climate resilient alternatives and to establish climate change requirements for new infrastructure.
- Develop innovative funding models, especially for electricity, to account for increases in revenue losses as consumers shift towards small-scale embedded generation.
- Work with other cities to address the transition of South African municipalities to new funding model

Access international and local funding opportunities.

- Develop a shared database of local and international funding opportunities to keep abreast of eligibility, requirements and deadlines for funds. This includes national funds, such as the Municipal Infrastructure Grant, the EEDSM Programme, as well as international funding such as Development Finance Institutions.
- Develop a clear project dashboard and workflow: prioritising high impact projects for funding.
- Build capacity to train relevant officials to identify funding mechanisms and package project proposals to enable bankability.
- Work with sector technical experts to identify bankable projects and develop proposals that are specific to the funding available, whilst prioritising the City's needs.
- Access opportunities from international organisations such as the Cities' Finance Facility to provide support for project proposal development.

Build on and leverage PPPs to fund projects.

- Use the private sector engagement process to identify projects suitable for PPPs .
- Build on existing PPPs in the Water and Sanitation and Waste sectors and apply lessons learned to other sectors in the City

Governance Climate Responsiveness and Resilience

Climate change impacts on all levels of government, thus, there should be policy and strategy coherence between the three spheres of government in order to guide climate change responses. However, the municipalities are at a coal-face of service delivery and disasters. Effective climate planning needs to balance the social and economic development imperatives with climate objectives. Identifying opportunities is key and climate policies should be tailored to this.

Existing governance structures

To enable the successful implementation of the Climate Action Plan CAP, the City needs to build on and strengthen the existing governance structures to ensure that climate change is mainstreamed across key clusters as well as with external stakeholders.

Currently, the climate change function sits in Durban's Environmental Planning & Climate Protection Department (EPCPD), which is in the Economic Development and Planning Cluster, because climate change has traditionally been regarded as an environmental issue. This fragmented approach makes it difficult to drive implementation and to achieve integrated planning across the City. However, there is a growing recognition that climate change is also a social and economic issue and cuts across various departments in the City. In order to enable effective governance and to mainstream climate change planning and implementation across the City's departments, a Climate Change Implementation Framework containing a governance theme, was established. The governance theme comprises two principal committees (Figure 2), namely the eThekweni Municipality Climate Change Committee (EMCCC) at a political level and the Durban Climate Change Strategy (DCCS) Technical Task Team (TTT) at a technical level. The EMCCC consists of 12 non-partisan councillors, headed by the political head of the municipality, the Mayor. The committee provides political oversight to the climate change activities in the City to ensure alignment with the City's strategic objectives. The TTT, convened at the level of Heads of Units, represents a trans-sectoral body of municipal sectors tasked with leading the implementation and mainstreaming of climate change activities. These committees have evolved to provide not only oversight to the DCCS related work, but also to all key strategic climate change programmes implemented by the City.

The EMCCC and TTT will be used to support the implementation of the CAP, ensuring transparency in the process and securing ongoing input from relevant line departments.

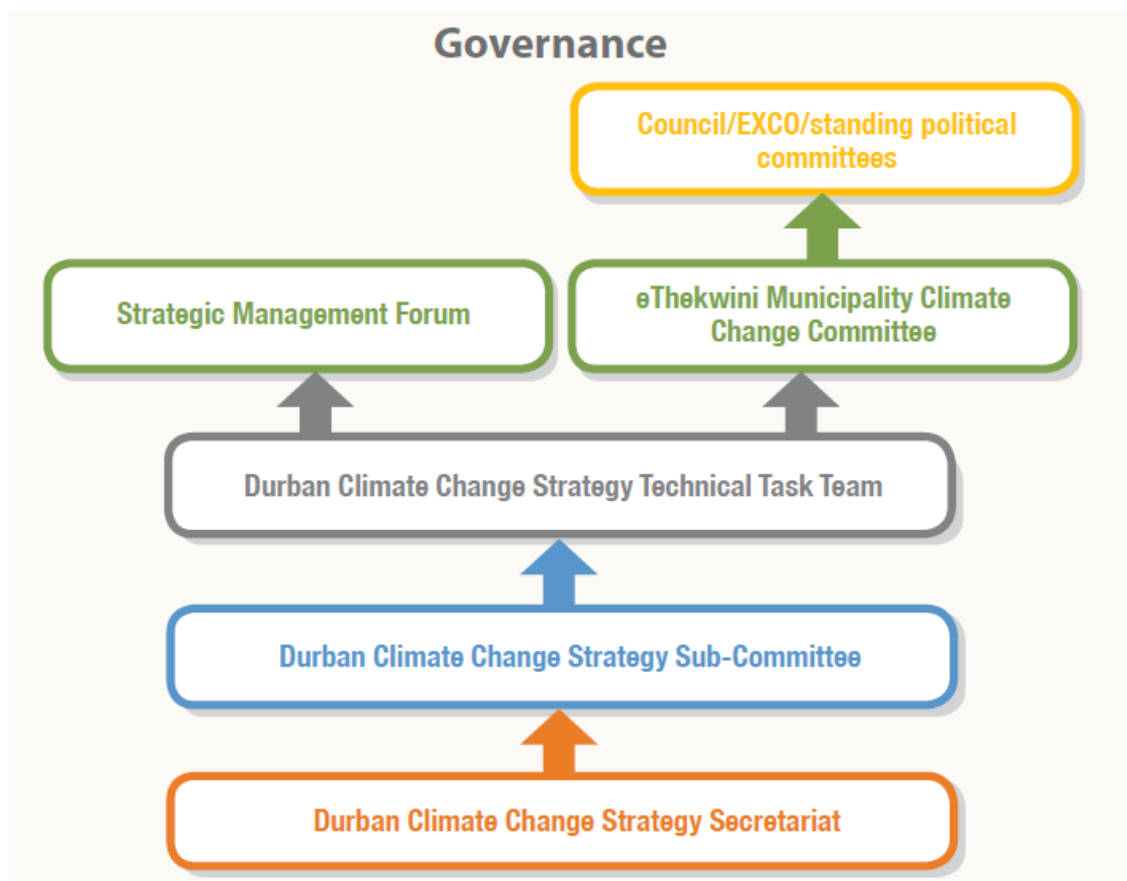


Fig 8 Climate Responsiveness and Resilience Governance Structure

2.2 THE INTEGRATION ZONE (IZ)

A key shift in the 2017/18 BEPP was the recognition that to achieve the outcomes of spatially transforming the apartheid legacy and growing the economy, we need to focus attention on a narrower geographic extent than the ones expressed in previous eThekwini BEPPs. eThekwini has never before consciously practiced spatial targeting and municipal department budgets have tended to both reflect a lack of inter-departmental integration and to be dispersed across geographic space. The consequence has often been dis-integrated service delivery and a lack of meaningful spatial transformation. To attempt to achieve success over a large geographic area simply increases the chances of making minimal impact. A Prime Investment Corridor (PIC) was identified which aligns with the roll-out of the public transport network and which has a number of segments or arms. The conceptual framework indicates how the spatial transformation of the city would be achieved through the IPTN in the figure below.. The spatial transformation of the city is built on the provision of an effective and efficient public transport systems that knits there spatial fragmented areas in the city. The City's IPTN aligns with both the Prime Investment Corridor and the SDF. The public transport network is highlighted in the Municipality's Spatial Development Framework as indicated in Fig 9 and 10 Below .

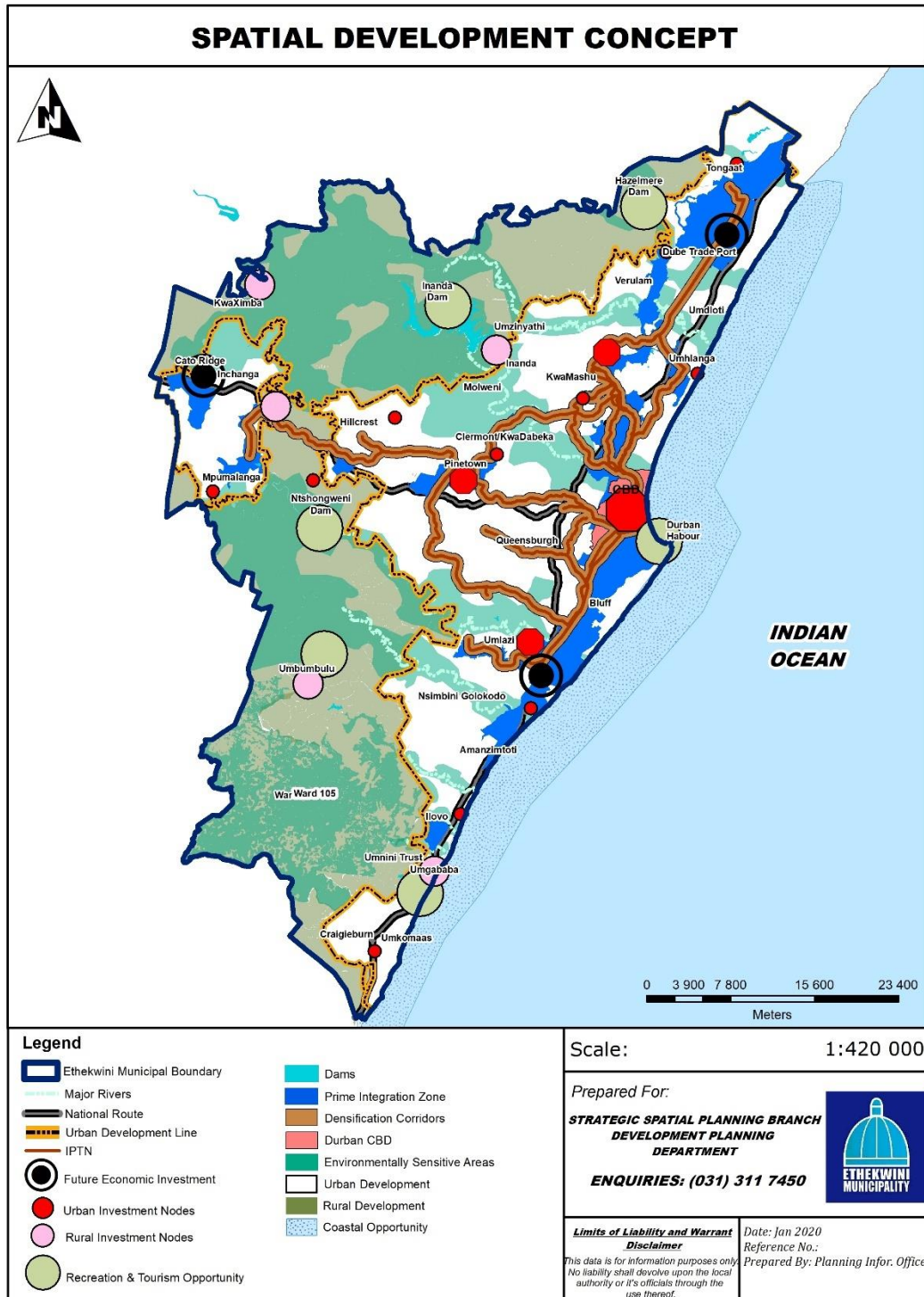


Fig 9 Spatial Development Framework Concept indicating PIC and IPTN

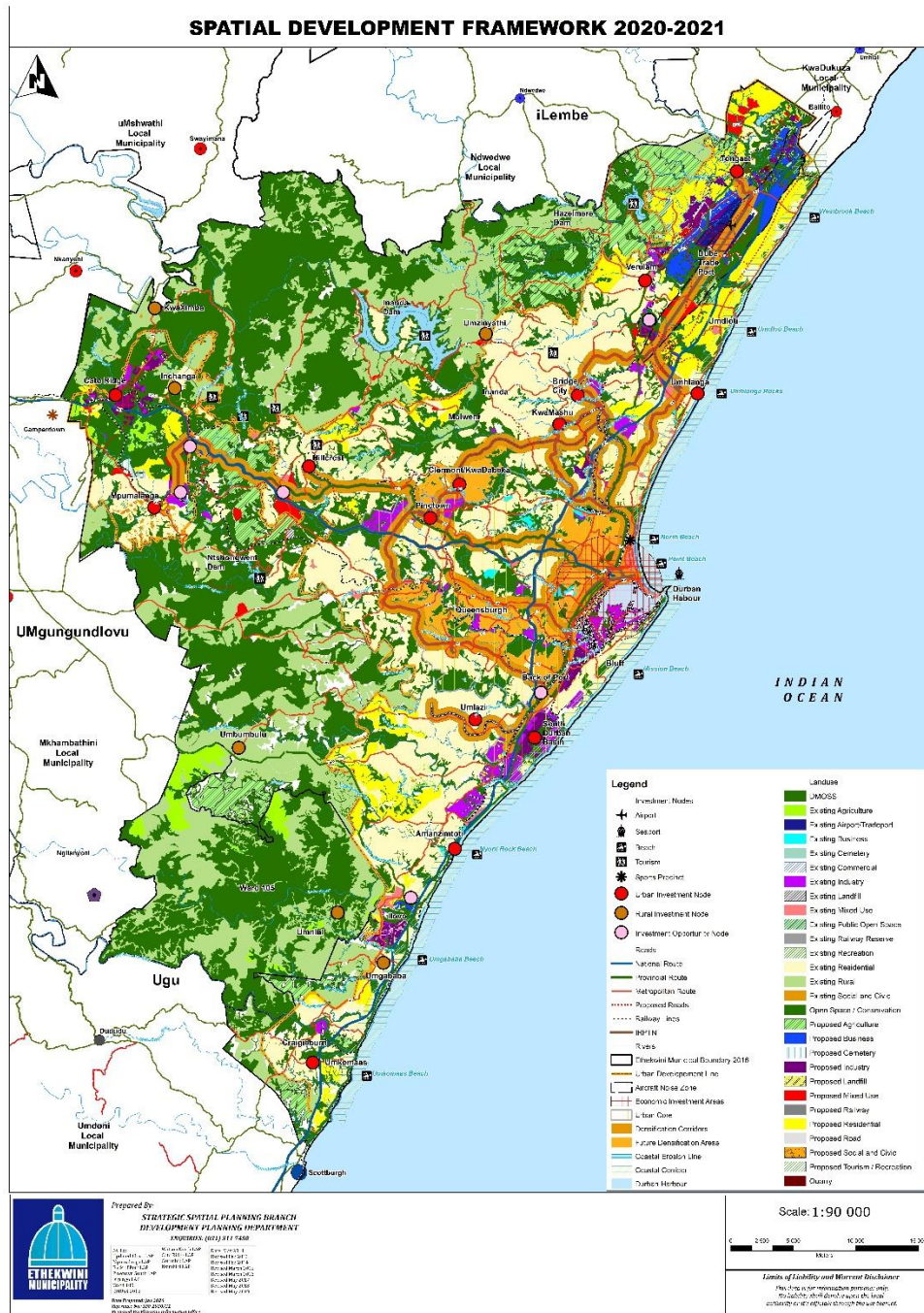


Fig 10 Spatial Development Framework

2.2.1 THE PRIME INVESTMENT CORRIDOR INTEGRATION ZONE

2.2.1.1 COMPOSITION

The Prime Investment Corridor (PIC) requires a narrow spatial target in order to:

- support the IPTN through increasing usage by commuters (as a result of greater numbers of people and activity due to residential densification and economic intensification of the corridor) and thereby reducing the operating subsidy;
- create conditions most conducive to economic growth through allowing greater depth of investment in infrastructure & quick access of employees to work; and
- enhance infrastructure efficiencies; create vibrant high density mixed-used environments that can accommodate a large proportion of the city's residents.

The PIC aims at more intensive uses, and greater density of jobs, trips, residents, and investment than anywhere else in the metro.

The PIC includes:

- The South Durban Basin / Back of Port;
- The Port, Durban CBD and Inner-City Neighbourhoods;
- The Pinetown CBD;
- Cornubia and DTP;
- C3, C1 & 2; C9 and
- The other public transport corridors connecting these areas- that will be in future phases of the IPTN roll-out.

The PIC also includes some standalone pockets that are connected to the core of the PIC by limited access routes. The pockets include:

- Mpumalanga, Cato Ridge, and Shongweni, all in the West; and
- Lovu in the South.

The PIC includes already developed (brownfields) areas where maintenance, infill, intensification and redevelopment will be promoted, as well as green fields opportunities for intensive new investment.

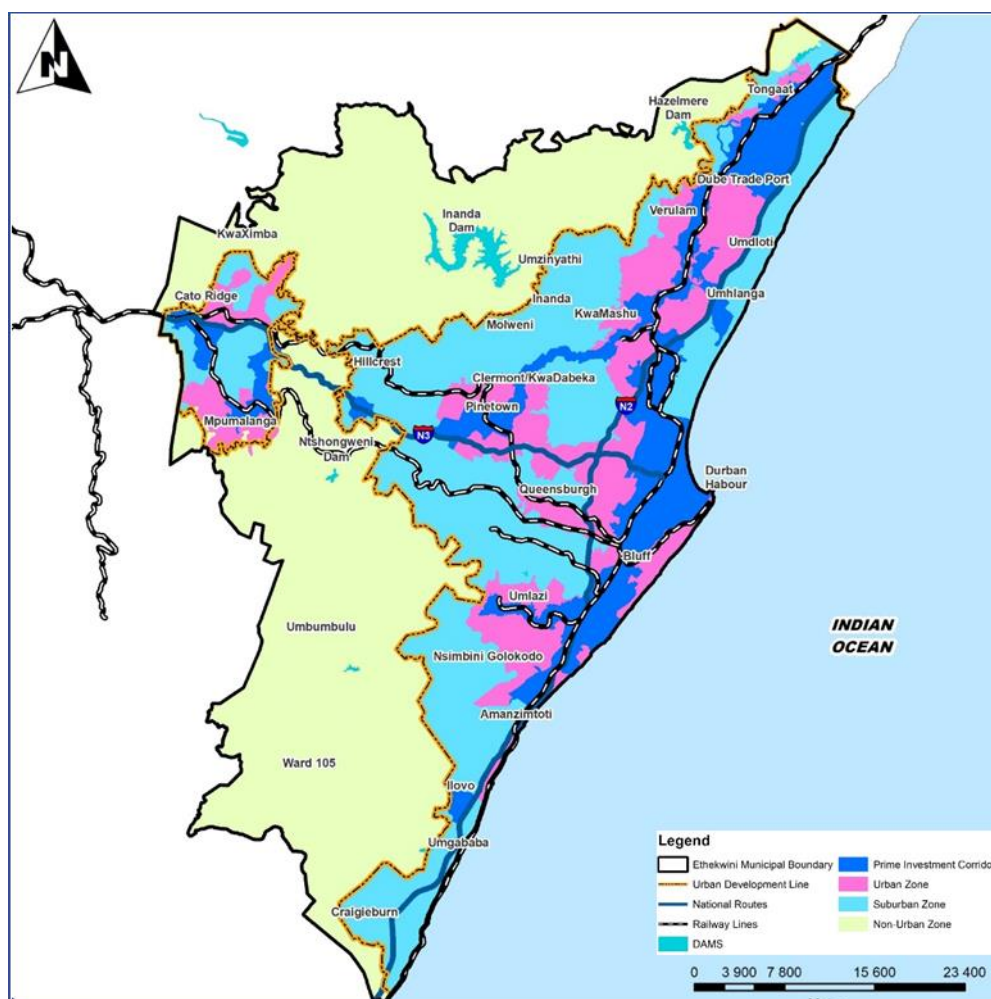


Fig 11 Prime Investment Corridor and Rail Network

The spatial extents of the PIC are up to 400 m either side of Major Movement Routes:

- Expands to include all significant existing economic uses;
- Expands to include an 800 m radius at rail stations;
- Expands to include Informal Settlements; and
- Expands to include POS.

The PIC is 28,672 Ha in extent, approximately 12% of the metropole's extent. The PIC has Arms to the north, south and west.

The Durban CBD/Umlazi/Isipingo Arm extends south from Durban CBD through Isipingo Node and onwards to Umlazi station incorporating the C2 rail corridor and also includes an island further south near Illovo.

The Pinetown/Cornubia/Umhlanga Arm comprises the industrial areas of Pinetown & New Germany and surrounding suburbs including Clermont/KwaDabeka along the C3 public transport corridor and traverses

Cornubia terminating at Umhlanga, also thereby incorporating the C9 public transport route.

The Durban CBD/Bridge City, C2 Arm runs north from the Durban CBD to Bridge City including the Aerotropolis.

The PIC in the west comprises a number of 'beads on a string' including Shongweni, Keystone/Mpumalanga, Hammarsdale/Cato Ridge/Harrison Flats. There are substantial greenfields opportunities for development in response to the N3 freight corridor from the Port. However, given the long distance between Mpumalanga and the Port it makes sense in the short to medium term to focus development at nodes along the N3 rather than to disperse development along the entire length of the N3 with concomitant infrastructure inefficiencies.

2.2.1.2 PRASA ROLE IN THE IPTN

PRASA and the City have an ongoing relationship with regards to the planning and implementation of the public transport services and infrastructure in the Municipality. The IPTN planning, which PRASA was an active stakeholder in its development, identifies the strategic public transport corridors within the Municipality. Although IPTN was strategically identified as the chosen mode for some corridors at the time of development of the high-level IPTN, it was agreed by PRASA and the ETA that the mode to be implemented will be confirmed with each phase / corridor implemented.

Key Issues

The following key issues were identified by PRASA and identified stakeholders during National and Provincial workshops (Stage 3 Report: National Strategic Plan, PRASA):

- Most of the growth and spatial development will continue to be focused on Durban CBD;
- The current timetable structure is mainly focused on operating train services for tidal work trips;
- Although rail provides a very important function for journey to work trips, the limited offpeak timetable means it plays a negligible role supporting travel for other journey purposes thereby constraining its role as the backbone of public transport provision;
- Rail journey times are very slow and uncompetitive compared to car and minibus taxi, especially to central Durban;
- Rolling stock efficiency and utilisation is poor due to rolling stock failure;
- The comfort and quality of the interiors of existing trains are poor;
- Some of the existing services are already operating close to capacity with growth forecast on many corridors;
- Rail faces strong competition from other modes of public transport, particularly minibus taxis;
- Although the rail network serves several corridors, there is scope to expand this catchment through more effective modal integration throughout the day; and
- Several stations in KZN discourage new passengers from using rail due to presentational issues.

The Development objectives of PRASA align with that ITPN and the development strategy in the city. The agreed objects are as follows:

- Improve access to major employment areas in the City;
- Enhance connectivity between secondary nodes in KZN and Durban;
- Improve connectivity to major nodes, i.e., King Shaka Int. Airport, Port of Durban;
- Enhance strategic connections with other principal economic areas;
- Provide demand responsive services in rural areas to link to main centres;
- Support sustainable development patterns through more efficient land use/transport integration to reduce environmental impacts;
- Improve quality of life by providing affordable services;
- Promote safe, secure and reliable passenger transport; and
- Encourage land use densification on priority nodes and corridors.

The above objectives are congruent with the objectives of spatial transforming the city. The Rail Corridor prioritization within the city as per Fig 12 below, is as follows.

2006 CORRIDOR	2006 CORRIDOR PRIORITY	STRATEGIC PLAN CORRIDOR	2012 CORRIDOR PRIORITY	SUPPORTING NARRATIVE
Umlazi-Durban	A	Umlazi-Durban	A	The Umlazi corridor is forecast to remain the busiest in KZN.
KwaMashu-Durban	A	KwaMashu-Durban	A	Second-busiest line in KZN: future growth will reinforce this corridor as an 'A' priority
Inanda-Durban	A (Future Scheme)	Bridge City-Merebank	A	Demand estimates for this line reinforce this corridor an 'A' priority.
Crossmoor-Mobeni	B	Crossmoor-Mobeni	C/B	The former classification could be retained were the route to be converted to light rail to stimulate new rail demand, otherwise, the corridor should be a 'C' priority.
Isipingo-Kelso	B	Kelso-Reunion	B	The current and projected passenger numbers reinforce this corridor (up to 10,500 trips) as a 'B' priority.
Stanger-Duff's Road	B	Stanger-Duff's Road	B	The Northern corridor includes mixed-use development proposals.
Pinetown-N3.CBD & Pinetown-Rossburgh	C	Pinetown-N3.CBD & Pinetown-Rossburgh	C/B	Passenger numbers using this route are very low (less than 1000/ day). However, the conversion of this route to an alternative technology (light rail) could stimulate wholly new rail demand, which would restore this corridor to a 'B' priority.
Cato Ridge-Rossburgh	C	Cato Ridge-Rossburgh	B	In response to the current and future passenger numbers (rising to 16,200), this corridor should be re-categorized as a 'B'.
Pinetown-Cato Ridge	C	Pinetown-Cato Ridge	C	No passenger services currently operated.
Crossmoor-Pinetown	C (New Scheme)	Crossmoor-Pinetown	C	Corridor has been identified as part of a future light-rail network in KZN.

Fig 12 Rail Corridor Prioritization

2.2.2 PRIME INVESTMENT CORRIDOR INTEGRATION ZONE: COMPOSITION, FEATURES, AND BROAD DEVELOPMENT STRATEGY

INTENTION	PRIME INVESTMENT CORRIDOR
LOCATION	<ul style="list-style-type: none"> Up to 400m either side of the metropolitan, provincial, and national movement system. 800m radius around PT stations includes all the significant urban centres (CBD and UNS Nodes) & economic zones with high concentrations of infrastructure, jobs, and economic activities. existing high-intensity uses contains numerous opportunities for intense brownfields or green fields urban development, including a number of the Catalytic Projects
INVESTMENT STRATEGY	<ul style="list-style-type: none"> Universal access to basic services Fully upgrade informal settlements in a way that retains high net densities Maintenance of infrastructure Universal access to social facilities PT & movement system improvements Commission GO! Durban system and facilitate rail improvements by PRASA Improve regional routes
LAND USES & FEATURES	<ul style="list-style-type: none"> Investment in Core Infrastructure – WTW, WWTW, Freeway Interchanges, IPTN Trunks & Freight Routes, SIP, Port, Airport, Maximise density of investment PPP's where appropriate
PROPERTY DEVELOPMENT FEATURES	<ul style="list-style-type: none"> Economic High-density Residential Mixed Use Higher Order Social Facilities High densities of investment, people, jobs Coarse and fine-grain economic uses District Community Services clustered with Sub-Metropolitan services
CONTRIBUTIONS TO ECONOMIC HEALTH	<ul style="list-style-type: none"> High FAR Extensively Developed No Vacant or Underdeveloped Properties Property Improvements, Extensions, and Redevelopments
	<ul style="list-style-type: none"> Improved Rates Revenues High Sales of Water and Electricity

	<ul style="list-style-type: none"> • Improved City GDP • Job Retention & Creation in Manufacturing, Logistics, Retail, Services, Finance • Higher levels of LED (support to informal economy) • Promote Catalytic Projects & Mega Human Settlement Projects
--	---

Table 5 Broad Development Strategy for the Prime Investment Corridor

During the course of 2020/21 the development strategy as per Table 5 above will be unpacked in more detail for each of the arms of the Integration Zone in conjunction with all the key built environment departments. At present there are numerous programmes and projects being undertaken within the Integration Zone and these will be unpacked in the relevant sections that follow with the focus being on the Catalytic land Development Programme.

2.3 ECONOMIC NODES IN THE CITY

The identification of economic nodes and corridors is to help provide an effective distribution network for a range of economic opportunities and to identify areas which may serve varied catchments of people for different purposes. The hierarchy of investment nodes as identified in Fig 13 below has a range and variety of functions to achieve the accommodation of community needs and services. The following type of nodes are identified in the Spatial Development Framework;

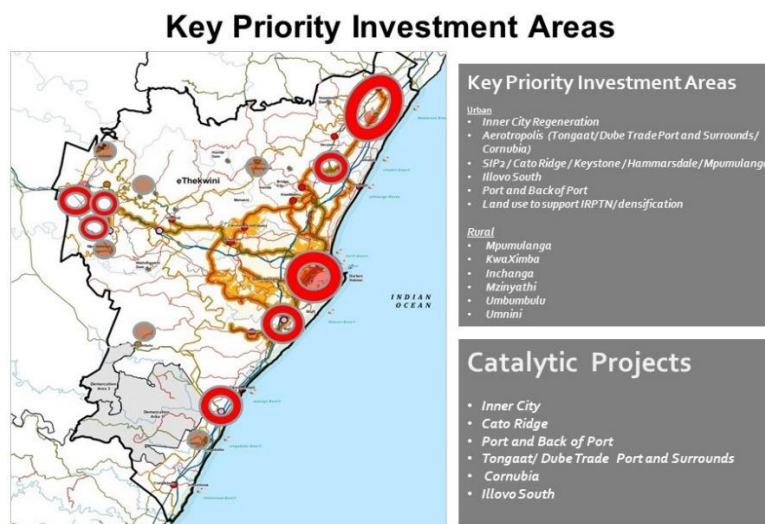


Fig 13 Key Priority Investment Areas

2.3.1 METROPOLITAN NODE – DURBAN CBD AND INNER CITY

The Metropolitan node is the key economic centre where all of the varieties of economic sectors are prevalent and perceived to have good potential to be further expanded on. The nodal area is visibly linked to high accessibility areas with existing bulk infrastructure and relatively high population densities which would both contribute to the economic expansion and benefit from interventions in these areas.

2.3.1.1 SCALE OF NODE

- Provides services at a National, Provincial and Local area

2.3.1.2 ACCESSIBILITY

- accessible at a metro-wide scale

2.3.1.3 CHARACTERISTIC OF NODE

- Offers a wide variety of mixed uses including recreation, formal and informal residential, businesses, tourism and its CBD role. Also characterized by port operations and associated transport activities which service the region and beyond as a multi-modal transport hub. The Metropolitan Node is the CBD and Inner City Areas and fall within the PIC

2.3.2 SUB-METROPOLITAN NODE – UMHLANGA AND PINETOWN TOWN CENTRES

Sub-metropolitan nodes provide accessible day to day business, transport and social services for existing and future local communities. These nodes serve sub-metropolitan areas of large districts and are well connected to metropolitan public transport systems and to their adjacent residential areas. They are generally situated on mobility spines supported by mobility roads and have access to urban freeways offering a full variety of higher order uses with a sufficient mix that may be in tight competition with other such nodes.

2.3.2.1 SCALE OF NODE

- These are nodes of a sub-metropolitan significance

2.3.2.2 ACCESSIBILITY

- accessible at a metro-wide and local scale

2.3.2.3 CHARACTERISTIC OF NODE

- provide economic support at a metro wide and local scale
- nature of these nodes can vary from having a variety of mixed uses (residential, retail, commercial, business public transport interchange, specialize logistics services and have potential for densification opportunities)

2.3.2.4 EMERGING SUB-METROPOLITAN NODES

Dube Trade Port

2.3.2.4 POTENTIAL SUB- METROPOLITAN NODES

Shongweni , Cornubia

The sub metropolitan nodes of Umhlanga, Pinetown and the Emerging and Potential Sub Metropolitan Nodes of Dube Trade Port, Shogweni and Cornubia are all within the PIC.

2.3.3 URBAN NODE

Urban nodes are existing and new and are well located lower order nodes serving the needs of local areas. These nodes are located at transport interchanges and or at the intersections of development spines. Their role is to provide essential 'day to day' commercial needs and social and commercial services to immediately adjacent communities.

2.3.3.1 SCALE OF NODE

- These are lower order nodes serving the needs of local communities

2.3.3.2 ACCESSIBILITY

- Are easily accessible by high order transit, a good road network
- New urban nodes ideally to be located at transport interchanges and / or at easy access or intersections of major public transport

2.3.3.3 CHARACTERISTIC OF NODE

The nodes provide essential 'day to day' commercial needs, social and commercial services to immediately adjacent communities.

- These local nodes are varied in activity mix and are determined by the thresholds which they serve.
- Contain a mix of low, medium and high residential densities
- Characterized mainly by pedestrian activity
- Non-Motorised Transport should be prioritized in these nodes

2.3.3.4 EXISTING URBAN NODES WITHIN THE PIC

Verulam, Tongaat , KwaMashu Town Centre , Phoenix Town Centre, Bridge City, Umlazi, Amanzimtoti, Isipingo/Prospecton, Cato Ridge Village, Cato Ridge (Town Centre)

2.3.3.5 EXISTING URBAN NODES OUTSIDE THE PIC

Newlands Town Centre, Inanda Town Centres , Cragieburn , Chatsworth, Malvern, Westville, Musgrave and Glenwood/Berea, Hillcrest , Botha's Hill, Kloof and Waterfall , Kloof (neighbourhood Node) , Waterfall (Neighbourhood Node)

2.3.3.6 POTENTIAL URBAN NODES

Illovo , Clermont/ KwaDabeka , Molweni Node , Mpumalanga Town Centre

2.3.4 INVESTMENT OPPORTUNITY AREAS

Description Investment Opportunity Areas

- These areas provide opportunities for new investment
- These areas need to be supported by public investment
- Must be targeted for the encouragement of private sector involvement.
- Must have or be easily accessible to major public transport routes
- Available infrastructure capacity needs to be investigated in these areas

Investment Opportunity Areas in the PIC are as follows:

Cornubia, Inyaninga, Springfield Park, Isipingo/ Prospecton, Umbogintwini industrial area, Mpumalanga, Hammarsdale, Shongweni, Cato Ridge, Ntshongweni Industrial and Logistic Park, Umlazi

Investment Opportunities outside the PIC are:

Canelands, River Horse Valley , Phoenix Industrial Park , Tongaat North , Bartletts , New Germany

It is further noted that some of the nodes listed in the various classifications above are listed as Catalytic projects which are further detailed in latter parts of the BEPP.

2.3.5 RURAL SERVICE NODES

2.3.5.1 DESCRIPTION: RURAL SERVICE NODE

- These nodes provide local level services (social and economic activities, traditional structures, facilities etc.) for surrounding communities
- Must be centrally located for easy access to surrounding rural communities
- Must have easy access for pedestrians

Rural Service Nodes in the Municipality are:

Zwelibomvu, KwaNgcolosi, Ntshongweni, KwaSondela, Buffelsdraai, Cottonlands, Adams/Folweni, Matabetule (new)
Senzokuhle (new)

2.3.6 RURAL INVESTMENT NODES

2.3.6.1 DESCRIPTION : RURAL INVESTMENT NODE

- Rural Investment Nodes have potential to provide support Services (Business, Agriculture, Tourism and Environmental issues and opportunities for local economic development)
- Must ideally be located within easy access to major transport routes
- Ideally must be located where there is already an existing accumulation of activities

The Rural Investment Nodes for the Municipality are:

uMgababa/ uMnini, Umbumbulu, Inchanga, uMzinyathi, KwaXimba

All of the nodes described above indicate potential for investments, and have a differing role to play in the spatial transformation of the city. The Nodes identified in the SDF translate to the following in the BEPP as per Fig 14.

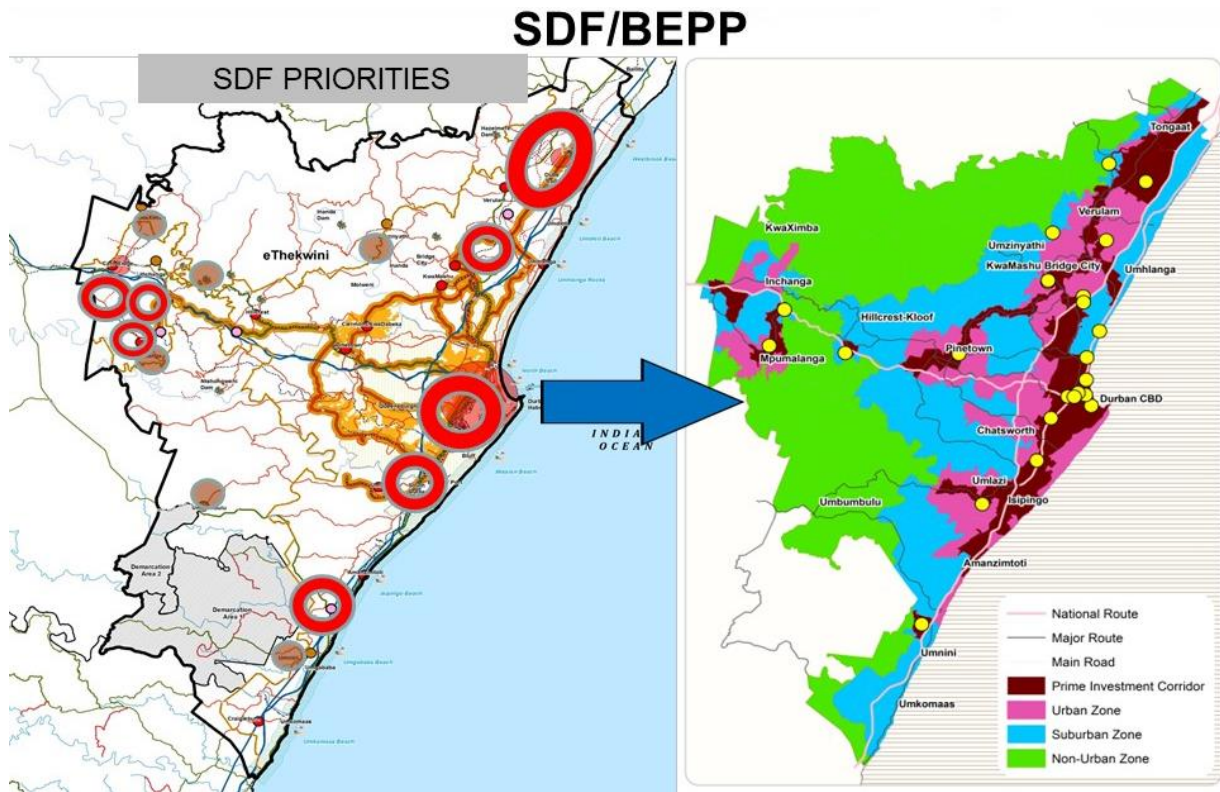


Fig 14 SDF Development Nodes and the PIC

2.3 INSTITUTIONAL ARRANGEMENTS: TRANSVERSAL MANAGEMENT

eThekweni has received assistance from the City Support Programme (as part of the Capacity Support Implementation Plan) in the form of a 3 day 'boot camp' on Matrix Management. This was well attended by municipal top management and a good understanding and appreciation was achieved of the need for the introduction of transversal programmes that cut across municipal functional silos. It is early days in this process and the city is looking at embedding the transversal principles so as to influence the development of the New 2021/22 5 year IDP. These programmes need to be resourced and bedded down in municipal operations in order to start the process of change management around working across Clusters towards common goals and targets which are monitored in the performance management system.

One of the key transversal focus areas from a spatial perspective is to identify and resource multi-disciplinary and cross-department teams of officials that are deployed to the key transit corridors to improve service delivery and work to achieve the outcome of high-density mixed use and mixed income neighbourhoods.

2.3.1 INSTITUTIONAL ARRANGEMENTS: CLIMATE RESILIENCE

A transversal approach is also being adopted here in that a range of officials across municipal functions have been identified as champions. The following officials with climate change expertise in infrastructure investment planning have been identified:

- **Dr Krish Kumar** who chairs the C40 Sustainable Infrastructure Finance network and is Deputy City Manager of Finance in the City;
- **Mr Logan Moodley** from the eThekweni Transport Authority, who leads the City's engagement with the Sustainable Solid Waste C40 network, of which Durban is the global lead;
- **Mr Sibusiso Ntshalintshali** represents Durban on the C40 Clean Energy Network and **Dr Magash Naidoo** on the C40 Green Growth network.

- **Mr Geoff Tooley** from the Coastal Storm Water & Catchment Management department leads the City's engagement with the C40 Cities Finance Facility which is developing a business case for the city-wide management of its water courses as green infrastructure; and
- **Mr Musa Mbhele**, Chief Operations Officer, leads the DCCS TTT where infrastructure investment planning is considered within the framework of implementing the DCCS.

The associated governance structure has been covered in section 2.1.3 earlier on in the document.

3 STRATEGIC OVERVIEW OF DEVELOPMENT RESPONSES

3.1 PUBLIC TRANSPORT CORRIDOR PLANNING & PROGRESS

Metropolitan Connectivity is a Core Infrastructure Program needed to create the movement preconditions for successful residential densification, economic development, and reversal and mitigation of apartheid spatial planning.

The BEPP, the IDP and SDF all identify the GO!Durban Integrated Public Transport Network (IPTN) as a key spatial response to improve spatial integration and transformation. The eThekweni Urban Network Strategy (UNS) will follow the phased roll-out of the public transport network. **In this respect, the IPTN is the structuring element of the eThekweni Integration Zone or Prime Investment Corridor.**

These are supporting the transformation of the spatially fragmented apartheid city to one that is more spatially efficient and inclusive, and have been identified as **transformation corridors**. The implementation of the GO!Durban IPTN is one of the major investment programmes that would have a positive impact on transforming the city. It would become more accessible to all communities via efficient public transport and well-located spaces for new human settlements in activity corridors/nodes on the urban network. This is a critical intervention to reduce the cost of living, the cost of doing business, reducing the cost of services and land, increasing access to opportunities and unlocking investment in marginalised areas to boost economic growth and job creation. It is also imperative that opportunities are created along the trunks and feeder network and a range of mobility options are provided in order to mitigate against displacement and gentrification.

eThekweni intends to have a “world-class transport system with a public transport focus, providing high levels of mobility and accessibility for the movement of people and goods in a safe, sustainable and affordable manner. The strategy focuses on reducing overall demand for road space whilst maximizing the effective utilization and efficient operation of road infrastructure for purposes of private and public transport use. It also places an emphasis on strategies which support and encourage the use of public transport.” In February 2020 the Municipality launched its first batch of the new fleet of busses to support its vision of developing a world class transport system.

The IPTN consists of a North-South rail backbone from Bridge City to Isipingo and a number of bus rapid transport (BRT) routes. There will be 18 transfer station ranks from rail to road. Currently, 50% of the population are within 800m (10-15 min walk) of a scheduled public transport service. With the full implementation of the IPTN, this is forecast to rise to 85% of total population.

3.1.1 PROJECTED TRANSPORTATION DEMAND

Based on a range of growth scenarios undertaken in 2008, the projected demand by mode over the next 20 years is illustrated in the Table 6 and Fig 15 below. Overall growth in peak hour trips from 2020-2035 is estimated at 23% for the low growth scenario, from a base line of 518 000 in year 2020, to 47% for the high growth scenario, from a base line of 576 000.

During the same period from 2020 to 2035, modal split to public transport for the low growth scenario remains more or less unchanged, at 42-43% by public transport and 53- 54% by car, with the remaining few percent for heavy goods vehicles (HGV). For the high growth scenario however, the public transport share increases from 47% to 51%, whilst use of private motor vehicles decreases by approximately 5% from 50% to less than 45%.

3.1.1.1 AM PEAK HOUR PERSON TRIP DEMAND BY MODE (HIGH, MEDIUM, LOW GROWTH SCENARIOS)

Growth	AM PH Demand (Person Trip)	2015	2020	2025	2030	2035
Low	PT		228,124	238,151	256,442	276,430
	Cars		276,080	304,211	330,233	340,060
	HGV		14,253	17,542	321,688	19,782
	Total		518,457	559,904	610,363	636,292
Intermediate	PT	231,738	250,416	272,996	301,855	336,175
	Cars	258,593	280,978	304,786	330,329	351,126
	HGV	11,731	14,253	17,542	21,688	26,757
	Total	502,062	545,648	595,326	653,872	714,058
High	PT		275,014	324,996	368,334	433,053
	Cars		285,800	306,834	355,902	380,375
	HGV		15,329	20,256	26,874	35,716
	Total		576,144	654,088	751,111	849,144

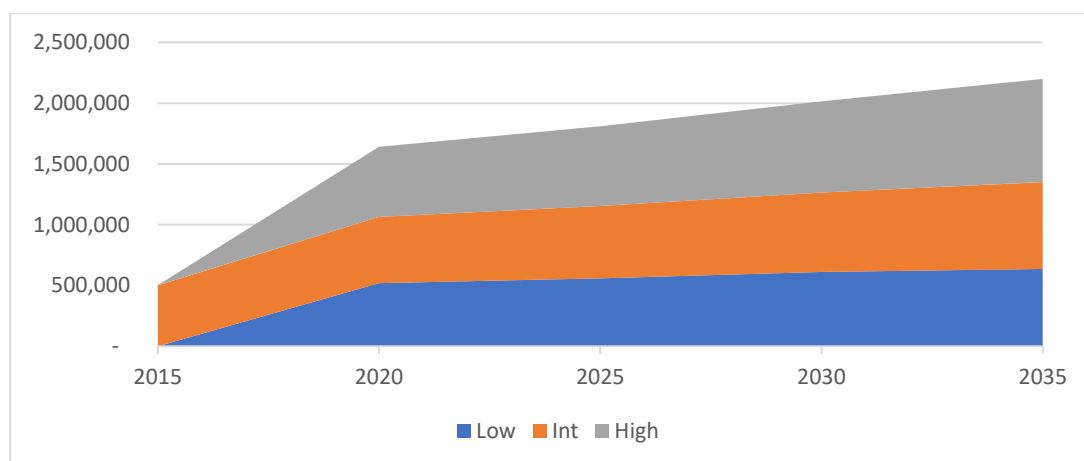


Table 6 and Figure 15 AM Peak Hour Person Trip Demand by Scenario

3.1.1.2 PUBLIC TRANSPORT DEMAND PROJECTIONS

The GO!Durban IPTN strategy aims to use the advantages of the existing transport links with a strong emphasis on interchange to facilitate a wide range of journey opportunities. In addition to the major nodes of the CBD and Warwick Junction/Berea Road station, other centres have a major hub role including Bridge City and Pinetown, particularly for journeys to work as indicated below. Some corridors have been extended into the CBD to avoid the need for transfer. The GO!Durban IPTN comprises of trunk, feeder and complimentary routes.

The existing activity patterns that need to be addressed are illustrated in the Figures 16 and 17 below. The regions of highest residential settlement densities are the Ntuzuma, Inanda, KwaMashu and Phoenix areas located in the northern region of the municipal area and the Umlazi and Chatsworth residential areas to the south. Higher settlement densities are also found along the N3 western corridor. The bulk of employment opportunities are however contained within the national road corridors

including the Durban CBD, Pinetown, the South Durban Basin, and the Northern Employment Cluster. In this regard, the GO!Durban IPTN needed to not only respond to the activity patterns in the short term but be able to bring about a change in these patterns in the long term to rectify the existing imbalances created by historic development. In this regard, the intensification of economic and residential development within the integration zone that surrounds the GO!Durban IPTN is intended to bring about the critically important spatial transformation.

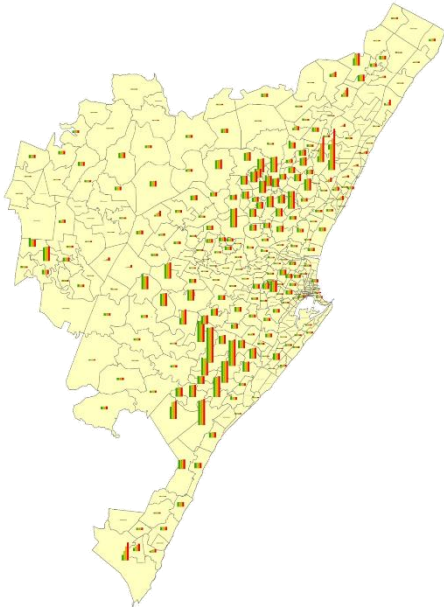


Fig 16 Population Growth

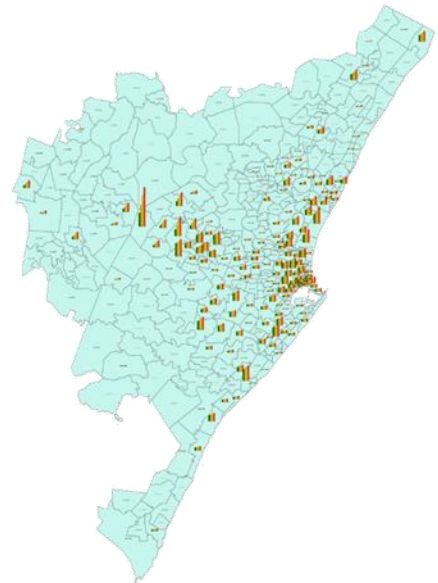


Fig 17 Employment Growth

3.1.1.3 TRUNK CORRIDOR DEMAND ESTIMATES

Demand for the trunk and feeder network was estimated based on the forecast years for 2015 and 2025 as shown below. Demand was calculated for each corridor based on proportioning demand from traffic zones to trunk network stops. For trips which involve travel within more than one corridor, interchange stops were identified, and boarding's/alighting's were allocated to those stops as appropriate. Details of the demand estimates for each corridor by time period and direction are provided in summarised in terms of annual demand and passenger kilometres travelled, for the modelled year of 2015, as reflected below in Table 7

CORRIDOR		DEMAND 2015	DEMAND 2025	DEMAND GROWTH
C1	Bridge City to Warwick/CBD	31.13	34.26	10.1%
C2	Bridge City / KwaMashu to Umlazi/Pelgrim	103.46	112.27	8.5%
C3	Bridge City to Pinetown	20.56	24.15	17.5%
C4	Bridge City to Merebank and Rossburgh	11.57	13.46	16.3%
C5	Chatsworth to Merebank to Warwick/CBD	26.27	29.94	14.0%
C6	Mpumalanga and Pinetown to Warwick	16.86	21.49	27.5%
C7	Hilcrest and Pinetown to Chatsworth	25.96	30.50	17.5%
C8	Tongaat and Umhlanga to Durban	11.76	14.82	26.0%
C9	Bridge City to Umhlanga	12.94	15.71	21.4%
Total		260.50	296.61	13.9%

Table 7 Annual Demand and Passenger Kilometres for Trunk Services 2015 (millions per annum)

3.1.1.4 CORRIDOR PASSENGER DEMAND

The C2 rail corridor carries the largest volumes of passengers as per Table 6 above. It is assumed that the majority (75%) of demand that could use C2 in common sections with C1 and C5 will choose to use the rail service. The overall average length of trip on an individual trunk service is approximately 10 kilometres, equivalent to a journey time of around 15 minutes, although overall journey times (including interchange between trunk services) will be longer.

C2 provides the core north-south rail route which will provide considerable capacity once upgrading has been achieved. This is complemented by C1 between the CBD and Bridge City and by C5 between Merebank and the CBD, the latter meeting demand from the Chatsworth area. C8 was realigned to serve the airport rather than replicating the rail route in that demand to and from the airport is expected to be an area of growth in future years.

It is important that the network provides high quality services and connections throughout. Rail is used along C2, which is the established corridor while other corridors are based on a bus rapid transit (BRT) solution. BRT services are supported by feeder services from the outlying areas to interchange points on the trunk corridors and a number of complementary services are planned. Between them, trunk, feeder and complementary services will address considerable demand and supersede the current fragmented and unreliable public transport arrangements.

3.2 DEVELOPMENT OF THE IPTN

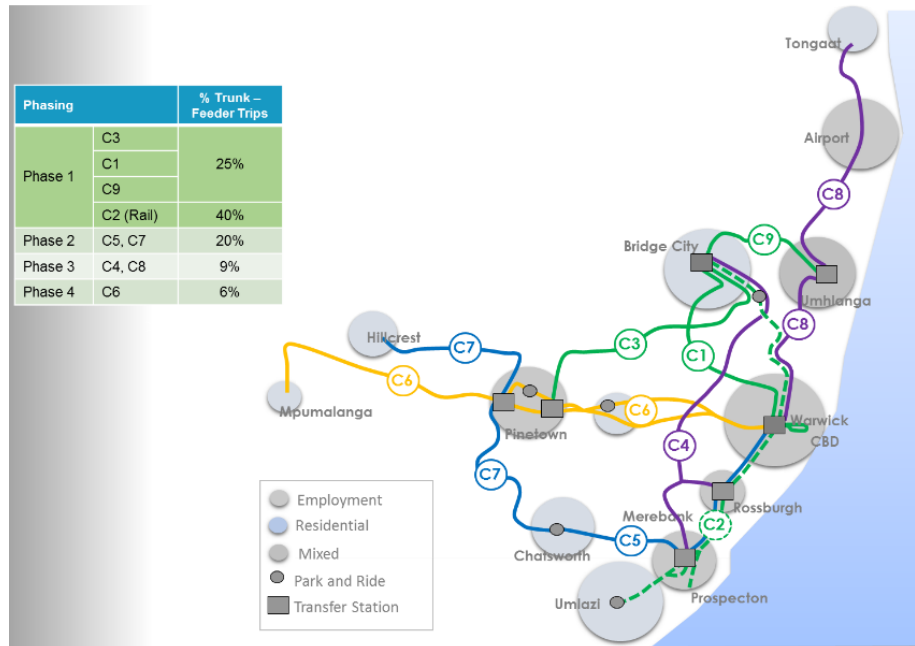


Fig 18 The eThekweni IPTN Trunk Route Network

3.2.1 IPTN TRUNK ROUTE STRUCTURE AND DESCRIPTION

The network as shown above in Fig 18 comprises the following trunk corridors:

- **Corridor C1: Bridge City to CBD via KwaMashu** - C1 provides capacity between two major centres of employment and other activity. This high frequency BRT service provides connections into the CBD to widen access to employment. C1 forms part of the Phase 1 network in view of its strategic importance;
- **Corridor C2: Bridge City and KwaMashu via Berea Road to Umlazi and Isipingo** - The main rail route will be upgraded by PRASA to enable a more intensive, reliable and higher capacity service to be operated. Infrastructure improvements will allow headways of up to three minutes to be operated with new trains being capable of carrying 2,000 people. The extension to Bridge City creates new journey opportunities, especially for employees. The corridor extends from Bridge City/KwaMashu in the north through the CBD (Warwick Junction) to Umlazi/Isipingo in the south;
- **Corridor C3: Bridge City to Pinetown** - C3 provides new connections between two major centres in a corridor that is not easily traversed at present. This public transport corridor represents a major restructuring intervention linking the northern and western area of the municipality through direct access and creating immediate linkages between areas of affluence and economic growth, and areas of poverty and marginalisation. As such it is a critical piece of the municipal urban network strategy. Interchange opportunities will be important both in the Pinetown area (with C6 and C7 or east-west movements) and at Bridge City (C1, C2, C4 and C9). C3 forms part of the Phase 1 network;
- **Corridor C4: Bridge City to Mobeni and Rossburgh** - C4 offers new services from Bridge City via the N2 avoiding the need to transfer at Warwick Interchange with the route splitting to serve both Rossburgh and Mobeni;
- **Corridor C5: Chatsworth to CBD** - C5 provides additional capacity to the south of Warwick Junction and provides direct services from the CBD and Warwick to Chatsworth town centre. This will be a high frequency BRT service although there is an option to provide light rail services using former heavy rail alignments and platforms and on-street sections to access Chatsworth town centre. This would serve the area more effectively than the current heavy rail alignment;
- **Corridor C6: Hammarisdale and Pinetown to Warwick** - C6 provides east-west services linking Pinetown to Warwick Interchange with possible variants to serve more than one route within the corridor. Some services will be extended to

Hammarisdale in the west as an improved means of accessing Mpumalanga and the rural area with appropriate feeder services;

- **Corridor C7: Hillcrest to Chatsworth** - C7 was originally conceived as part of C5 but separating this part of the network reduces the operating distance and links Hillcrest with Pinetown (connecting with C6 to Warwick) and Chatsworth town centre;
- **Corridor C8: Tongaat and Airport to Umhlanga and Warwick** - Rail services are available to Tongaat but an alternative route would be provided by C8. This would divert to serve the airport and Umhlanga town centre and provide direct access into Durban. This corridor is expected to experience considerable growth as development takes place and also presents a strong public transport presence for airport users and workers; and
- **Corridor C9: Bridge City to Umhlanga** - C9 is the shortest corridor and links the growth areas of Umhlanga and Bridge City. C9 forms part of the Phase 1 network in that it links key employment and expanding development areas.

The rail network is managed by PRASA, and the road-based public transport network is managed by eThekweni. The IPTN network and modal strategies are described below:

3.2.2 MODAL STRATEGY: TRUNK ROUTES (BRT)

Bus Rapid Transit – a high profile rapid transit mode that combines operational and physical elements to provide a system with the speed, image and permanence of light rail with the cost and flexibility of bus. Features Include dedicated busways, bus priority measures and limited stop services where appropriate. The BRT system is more commonly known as the GoDurban project in eThekweni.

3.2.3 FEEDER AND COMPLEMENTARY SERVICES

3.2.3.1 FEEDER ROUTES

A limited number of people will be able or have the time to walk to stops and stations on the trunk routes - those with their origins or destinations within less than 800 metres of the trunk route. If usage potential of the trunks is to be achieved, it will be essential to provide a system of feeder routes to increase their catchment areas. Sets of feeder routes have been designed to meet the trunk corridors at proposed modal interchanges.

3.2.3.2 COMPLEMENTARY ROUTES

There are many other trip movements which need to be catered for and which are not aligned with the trunk corridor system. These were planned to be served by a network of complementary routes which comprise an appropriate selection of existing routes.

3.2.3.3 MODAL STRATEGY: FEEDER AND COMPLEMENTARY ROUTES

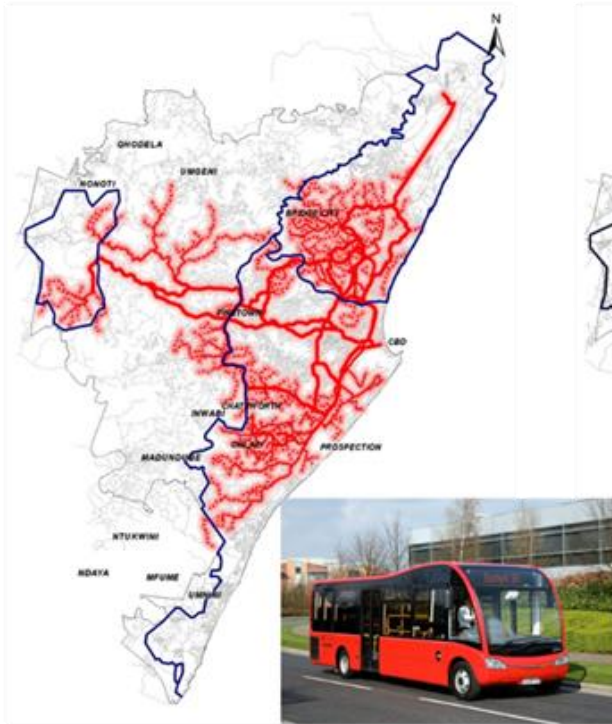
These have been planned to give adequate coverage, their spacing being related to population density and the aim to have peak hour passenger demand in a range to suit the capacity of standard buses or minibuses running at convenient headways. As far as possible, surfaced roads and existing PT routes were followed to maximize practicality and minimize changes to passengers' travel habits. Feeder and Complementary Routes are indicated in Fig 19 below.

The configuration of the network has been informed by:

- Demand (Activity) Patterns;
- Population Density;
- Existing Road Network Configuration;
- Realising more efficient transfer facilities that make more economical use of space; and

- Accessibility needs.

Feeder Services to Trunk Network



Complementary Services



Fig 19 Feeder Services and Complementary Services

3.3 PHASING CRITERIA

The selection of Phases of the IPTN was undertaken considering inter-alia:

- Demand and ridership potential;
- The spatial development plan and other planned projects;
- Physical constraint to infrastructure implementation;
- Investment Intensity;
- Job creation;
- Operational and subsidy cost implications;
- Opportunity for densification / regeneration and creation of transit orientated (TOD); development;
- Opportunity to reorganise operators; and
- Deliverability.



Fig 20 IPTN Phasing

3.3.1 PHASING

The first Phase of the IPTN is particularly prioritised for the short and medium term and is central to the Prime Investment Corridor as can be seen on the Fig 20 above. Phase 1 consists of:

- The North-South Passenger Rail Corridor (which is projected to carry about 40% of the city's commuters) – referred to as the C2 Corridor with implementation being the responsibility of PRASA;
- The road link between Kwamashu/Bridge City and Pinetown along the MR 577, which is projected to carry approximately 14% of the city commuters- referred to as the C3 Corridor; and
- The road link between Bridge City and Umhlanga- referred to as the C9 Corridor.

Phasing		% Trunk feeder trips	Planned Operational Year
Phase 1	ICDS	25%	2022
	C3		2020
	C9		2024
	C1		2026
	C2 (Rail)	40%	TBC
Phase 2	C5, C7	20%	2028
Phase 3	C4, C8	9%	2030
Phase 4	C6	6%	2032

Table 8 Phase 1 in relation to the Prime Investment Corridor

The combined implementation of C3, C9, C2 and C1 as Phase 1 indicated in Table 8 above of the GO!Durban IPTN, will accommodate approximately 65 percent of the mature municipal trunk-feeder public transport travel demand.

The full funding required for all three BRT corridors in Phase 1 may not be available from National Treasury. A staggered implementation of these three corridors within Phase 1 is therefore necessary. Using the same criteria for the initial phasing selection, as well as the consideration of the grant funding received and deliverability, the following phased implementation is being pursued: firstly C3; secondly C9; and thirdly C1. The above sequencing may be adjusted to suit any change in circumstances at the time of implementation and more specifically changes in funding availability.

Key Milestones as indicated in Table 9 are as follows:

Phasing		% Trunk feeder trips	Planned Operational Year	
Phase 1	C3	25%	2020	<ul style="list-style-type: none"> • 24 of 27 Km – Complete • 11 of 13 Stations – Complete
	C9		2024	<ul style="list-style-type: none"> • Bhejane Underpass & Cornubia interchange – Complete • 12km ROW – At construction procurement Stage • 2.5 km ROW – Concept stage
	C1		2026	<ul style="list-style-type: none"> • C1: 3km ROW - Complete (Part of C3) • 6 km ROW - Under Construction • 18 km – Design stage

Table 9 Phase 1 in relation to the Prime Investment Corridor

It is further noted that the Transport Strategy plays a far more important role in the City's transformational development strategy, these implications are listed in the table below.

Strategy	Description	Transport Implication
Urban Containment	<ul style="list-style-type: none"> Managing and containing urban growth to prevent urban sprawl, concentrate urban activity and reduce land consumption and servicing costs. Key guidelines and tools include: Urban Development Line Development Phasing Line Integration Zones (Urban, Suburban, Rural) 	<ul style="list-style-type: none"> Increases population thresholds and reduces travel distances, which supports public transport and limits road
Mixed land Use	<ul style="list-style-type: none"> Encouraging a greater mix of land uses in appropriate locations, particularly in terms of places of residence and work but also in terms of access to social and commercial facilities. 	<ul style="list-style-type: none"> Reduces travel distances and the need to travel and supports and encourages pedestrian movement.
Urban Densification	<ul style="list-style-type: none"> Encouraging higher urban densities to prevent urban sprawl, concentrate urban activity and reduce land consumption and servicing costs. <p>Key guidelines and tools include:</p> <ul style="list-style-type: none"> City Density Strategy and Housing Sector Plan Densification in CBDs, inner city, town centres and urban nodes and around public transport interchanges and rail/IRPTN stations and corridors 	<ul style="list-style-type: none"> Increases population thresholds and reduces travel distances, which supports public transport, including the IRPTN, and NMT and reduces new road infrastructure requirements.
Public Transport Spatial Structuring	<ul style="list-style-type: none"> Structuring higher intensity and mixed-use urban development around PT hubs and corridors, specifically the IRPTN. <p>Key guidelines and tools include:</p> <ul style="list-style-type: none"> Densification and TOD in CBDs/ town centres and around public transport interchanges and rail/IRPTN stations and trunk corridors 	<ul style="list-style-type: none"> Increases population thresholds and reduces travel distances, which supports public transport, including the IRPTN, and NMT and reduces new road infrastructure requirements.
Responsive Urban Form	<ul style="list-style-type: none"> Encouraging urban development to define, activate and overlook adjoining streets and public spaces. <p>Key guidelines and tools</p>	<ul style="list-style-type: none"> Increases passive surveillance and the attractiveness and safety of streets, public spaces and pedestrian routes.

	include: <ul style="list-style-type: none"> • Complete Streets • Local Area Plans and Precinct Plans 	
Supportive Public Realm	<ul style="list-style-type: none"> • Encouraging the development of a high-quality public realm that supports higher densities. Key guidelines and tools include: <ul style="list-style-type: none"> • Complete Streets • Local Area Plans and Precinct Plans 	<ul style="list-style-type: none"> • Increases the attractiveness and safety of streets, public spaces public transport nodes and NMT.
Spatial Targeting	<ul style="list-style-type: none"> • Encouraging development and investment appropriate to the spatial context (e.g. Prime Investment Corridor, Urban Integration Zone, Suburban Integration Zone, Rural Integration Zone, etc.) 	<ul style="list-style-type: none"> • Ensures that the appropriate type and level of public transport, NMT and road infrastructure are provided to support the spatial targeting approach in the IDP, SDF, BEPP and sector plans.

Table 10 Transport Strategy at per CITP

3.4 URBAN NETWORK STRATEGY ELEMENTS (PHASE 1) – SPATIAL PLANNING AND TARGETING

The UNS provides a systematic approach to leverage private sector investments in strategic locations via a co-ordinated set of spatially-targeted interventions. These include: public infrastructure investment, urban management in targeted precincts and the application of financial, non-financial and regulatory instruments (such as development incentives, tax rebates for developers and investors and the ease of doing business in cities). This targeted intention is aimed at creating a network of strategically-located centres of economic and social activity (mixed-use hubs) accessible to all communities via efficient and sustainable public transport. A key focus is on well-located green and brown fields and transformation of urban centres, declined Central Business Districts (CBDs) and township economic centres, which allows for precincts of mixed use and mixed income social housing, that enable the transformation required for cities.

3.4.1 C3 CORRIDOR (BRIDGE CITY TO PINETOWN)

C3 provides new connections between two major centres: Bridge City (Urban Hub- marginalised residential area of INK) and Pinetown (economic node) in a corridor that is not easily traversed at present, as the current public transport trip patterns are via the Durban CBD to Pinetown. This route will provide a direct link thus saving travel time and costs. This provides significant improvements in metropolitan level mobility and is a key component of the strategy of spatial transformation. The route is a mix of greenfield and brownfield opportunities and is seen below in Fig 21 in relation to the eThekweni Integration Zone shaded in red.

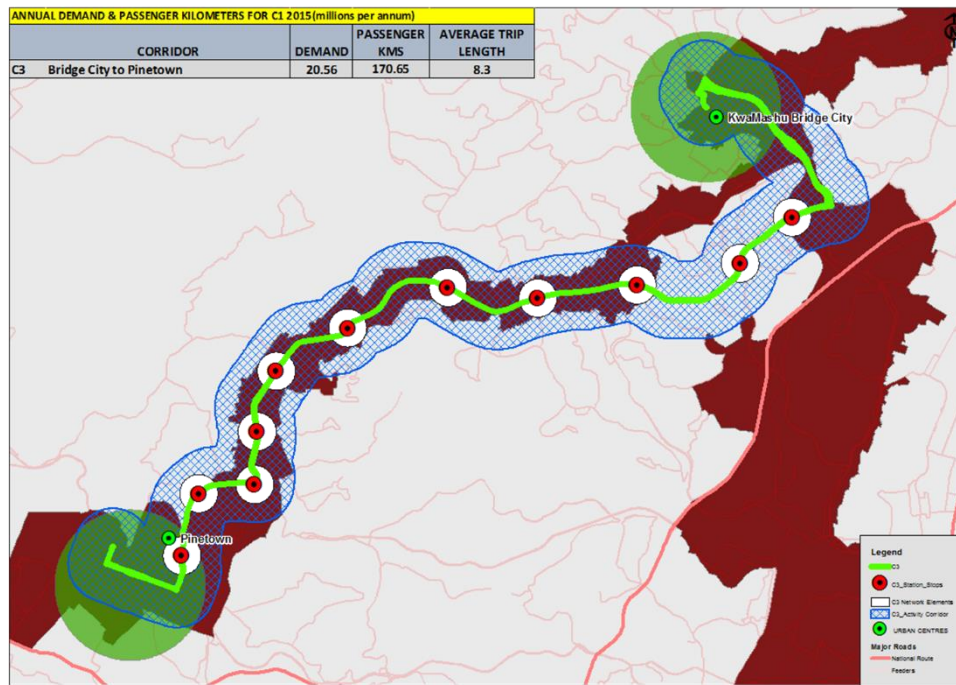


Fig21 C3 Corridor Bridge City to Pinetown

3.4.2 C3 URBAN NETWORK STRATEGY ELEMENTS

3.4.2.1 CURRENT PROGRAMME STATUS

Key milestones are as follows:

- C3 corridor nearing completion; and
- Work stoppages had a huge impact on the schedule but has resumed, however, remains a key challenge in progressing the project as per the plan.

3.4.3 C3 OPERATIONAL READINESS

The C3 corridor is scheduled to start its operations with a staged approach as indicated in Table 11 below:

Project Name	Project stage	Milestones
C3 - ROW	Operational Readiness	24 of 27 KM - Complete 3km (not critical for go live)
C3 - Stations	Operational Readiness	11 of 13 Stations - 100% Complete 2 stations - not critical for go live
Bridge City Depot	Construction procurement stage	Interim depot - Identified Bridge City Depot - Design Complete
Bridge City Terminal	Bridge City Terminal - Detailed Design stage	Temporary Terminal - 100% complete
ITS & IFMS	Commissioning and testing	Infrastructure complete - 98% complete Fibre + CCTV)not critical for go live
C3 Buses	<ul style="list-style-type: none"> New Buses - BEC stage Scania Buses - Commissioning & testing stage 	22 Converted Scania buses - 100% complete
TMC	Permanent TMC - Site identification & Land Acquisition	<ul style="list-style-type: none"> Interim TMC - 100% complete Permanent TMC - Concept design complete

Table 11 C3 Operational Readiness

3.4.3.1 C3 PROGRAMME CHALLENGES

- Construction on an existing road network
 - Land Acquisition incl Permission to Occupy (PTO)
 - Delays in re-location and renewal of services.
 - Consequential upgrades to existing road infrastructure.
- Work stoppages
 - Mini-Bus Taxi operators and communities demanding a stake in construction.
 - Various groupings protesting for issues that are not related to the project
- Inter- governmental agreements (PRASA, TRANSNET)
- Contractual delays
- Procurement Delays

3.4.4 C3: INTEGRATED CORRIDOR DEVELOPMENT

The United Kingdom Prosperity Fund (UKPF), a UK Government initiative to support sustainable and inclusive economic growth leading to poverty reduction in middle-income developing countries, South Africa is one of a small number of priority countries within the Fund. There are a number of programmes within the portfolio of the UKPF, one of which is a Global Future Cities Programme which aims to provide technical assistance (i.e. not grant funding) to 19 cities, across ten countries, in three broad areas:

- Transport – support for the development of integrated multi-modal public transport systems
- Urban Planning – support for spatial restructuring, urban renewal and master planning
- Resilience – support for the development and implementation of strategies to enhance urban resilience

The participation of eThekweni Municipality in this programme, which is focused on the improved coordination of projects and programmes focussed on the GO1Durban IPTN in line with the National Development Plan 2030 and the city's strategic plans (IDP, SDF and CIP) will also help to achieve the objectives of global agendas such as the New Urban Agenda and the Sustainable Development Goals in relation to urban resilience and planning.

South African Municipalities have a critical role to play in supporting the resumption of more inclusive economic growth, in particular, the responsibility to guide spatial development through urban planning instruments, infrastructure investments and service delivery programmes that shape the built environment cities. There is a consensus that a fundamental spatial transformation is required to enable cities to contribute effectively to national economic and social development objectives. The intention of the transformation is to retrofit existing city footprints to produce compact, coordinated and connected cities, using transit-oriented development (TOD) and other urban planning strategies to yield desirable social, economic and environmental outcomes - as envisioned in the National Development Plan.

The objective of the study: Enhanced institutional governance coordination for supporting the alignment of stakeholder plans working on transit-oriented development (TOD) is to develop an enhanced institutional and governance coordination model for supporting the alignment of stakeholder plans working on TOD. and is aimed at providing a transversal management approach for the planning, implementation and management of the TOD for improved corridor efficiencies. Through enhancing the institutional governance for supporting TOD, the long-term goal is to provide seamless interconnectivity and an integrated, multimodal transport system for Durban that provides an efficient, safe, affordable and inclusive mobility option for all residents.

3.4.5 C9: BRIDGE CITY TO UMHLANGA TOWN CENTRE

The C9 is the shortest corridor and links the growth areas of Umhlanga and Bridge City via the Cornubia mixed-use development. The route is seen below Figure 22 in relation to the eThekweni Integration Zone shaded in red. This corridor forms part of the Phase 1 public transport network in that it links new areas of residential and employment growth in the northern part of the municipality with the western part of the municipality through its linkage with C3. This transport corridor is a key component of the strategy for spatial transformation as it links areas of affluence with areas of marginalisation.

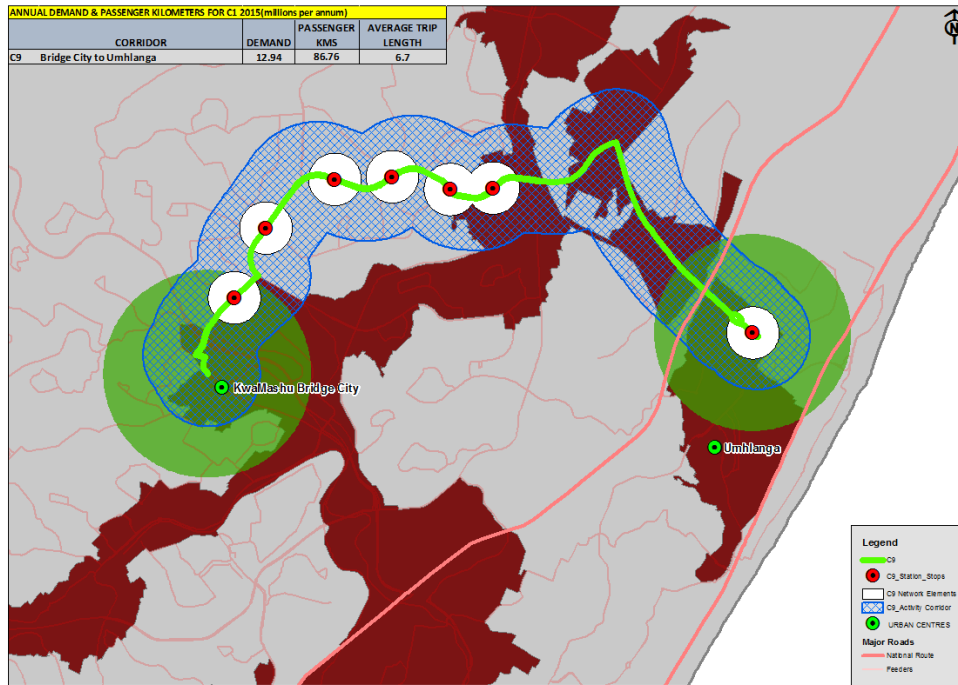


Fig 22 C9 Corridor Bridge City to Umhlanga Town Centre

3.4.6 C1: (BRIDGE CITY TO DURBAN CBD)

C1 provides connections between two major centres: Bridge City (Urban Hub) and Durban CBD (economic zone). This provides significant improvements in metropolitan level mobility and is a key component of the strategy of spatial transformation. The route is seen below in Figure 23 in relation to the eThekweni Integration Zone shaded in pink.

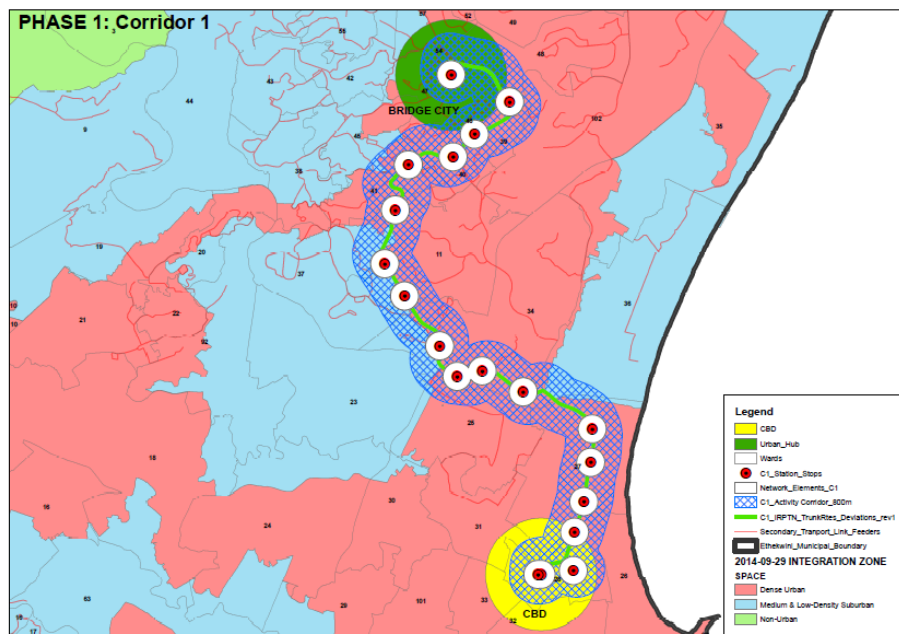


Fig 23 C1 Corridor Bridge City to Durban CBD

3.4.6.1 MAJOR PROGRAMME RISKS AND ISSUES

- Work Stoppages: Community participation and engagement with the Taxi Industry have been undertaken as a mitigation measure; and
- Delays with the Supply Chain Management Process: City leadership appraised of the risks. Mitigation strategies are being implemented.

3.4.7 INNER CITY DISTRIBUTION SYSTEM (ICDS) AND CBD OUTER RING SERVICE

3.4.7.1. CURRENT PROGRAMME STATUS:

- Professional team procured;
- Preparation of conceptual layouts for infrastructure and detailed modelling for the Warwick Node indicated below in Figure 24 including the ICDS services; and
- Aligned to Inner CBD regeneration and densification strategy.



Fig 24 Warwick Node (Berea Station Development)

3.4.8 IPTN FUNDING AND ITS STRATEGIC IMPLICATIONS

The budget allocation for the IPTN is reflected in the proposed budget 2021 MTREF listed in Table 12 below:

PROJECT	DESCRIPTION	20/21	21/22	22/23	TOTAL
P8529E	CONSTRUCTION OF CORRIDOR C1	-	56 648 000	100 000 000	R 156 648 000,00
P9030E	CONSTRUCTION OF CORRIDOR C9	140 000 000	-	-	R 140 000 000,00
P9706A	CORNUBIA BLVD	82 974 000	19 865 000	-	R 102 839 000,00
COUNCIL/LOAN/USDG		574 279 000	480 608 000	530 120 000	R 399 487 000,00
P9706C	CORNUBIA BLVD	-	196 648 000	-	R 196 648 000,00

P7848A	LAND ACQUISITION - IPTN	6 000 000	-	-	R 6 000 000,00
P8528	CONSTRUCTION OF CORRIDOR C3	129 611 000	94 838 000	622 000	R 225 071 000,00
P8529	CONSTRUCTION OF CORRIDOR C1	225 394 000	171 576 000	393 545 000	R 790 515 000,00
P9030	CONSTRUCTION OF CORRIDOR C9	298 781 000	287 292 000	431 579 000	R 1 017 652 000,00
P9418	BRIDGE CITY TERMINAL	12 004 000	5 674 000	4 801 000	R 22 479 000,00
P9426E	its & ifms - ptis funded	61 600 000	57 100 000	53 500 000	R 172 200 000,00
GRANT FUNDED		733 390 000	813 128 000	884 047 000	R 2 430 565 000,00
GRANT FUNDED, COUNCIL/LOAN/USDG					R 2 830 052 000,00
ETA BUDGET REQUIREMENT ESTIMATES					
TOTAL REQUIRED BUDGET					R 2 988 512 577,80
CURRENT COMMITMENTS					R 2 302 201 177,18
FC REQUIRED					R 686 311 400,62
PRIORITY PROJECTS					R 663 985 761,10
AVAILABLE FUNDING					R 2 830 052 000,00
SHORTFALL					R 158 460 577,80

Table 12 Budget Allocation for IPTN per 2020/21MTREF

eThekwini's contribution when required for Capex roll-out is up to R 300m per annum.

It has been noted that the full funding required for all three corridors in Phase 1 may not be available from National Treasury. A staggered implementation of these three corridors within Phase 1 is therefore necessary within the current funding envelope.

However, public transport is a critical spatial restructuring element and there are very long lead times to get supportive land use in place. It is therefore critical to accelerate implementation of public transport capital infrastructure to allow the

intensified land use to develop as fast as possible in order to increase ridership levels which will allow operating subsidies to decline sooner rather than later. eThekweni believes it can accelerate spend from the current R100-150mill/month in the short term to R200mill/month in the medium term. Hence the capacity to upscale exists. However, this would require approval to gear up a portion of the grant & in addition we would need certainty of grant flow over at least 10 years.

3.4.9 INDUSTRY TRANSITION SUMMARY

3.4.9.1 NEGOTIATION PROCESS:

Phase	Description	Progress
Phase 1 Preparatory phase	Induction, relationship building, training, set up negotiation structures	Complete
Phase 2 Industry Wide Principle negotiations	<ol style="list-style-type: none"> 1. Eligibility to participate in the project. 2. Compensation model. 3. Value Chain opportunities. 4. Training and Skills Development. 5. Minimum terms to regulate the operating contract 6. Fleet Ownership. 	<p>Agreed</p> <p>Agreed</p> <p>Agreed</p> <p>Agreed</p> <p>Agreed</p> <p>Not yet Agreed</p>

Table 13 Summary of Negotiation Processes

3.4.10 C2 CORRIDOR (PRASA INTERVENTION)

The IPTN has been designed without a bias towards a particular mode and has been about developing a truly integrated system that embraces a range of modes, optimally selected to satisfy the various travel demands within each of the corridors. In this respect, the municipality has worked closely with the Passenger Rail Agency of South Africa (PRASA) to align planning

and budgets to ensure rapid delivery and benefit of the IPTN to the maximum number of users while exploiting the use of existing assets.

The C2 rail corridor, which is the backbone of the North-South corridor, is the proposed rail trunk route in the system with remaining rail lines serving as complementary services in the overall IPTN. C2 is estimated to carry approximately 40 percent of the annual trunk public transport travel demand at full system maturity and supported by a proposed attractive feeder system.

Consequently, PRASA has committed to concentrate its investment in this important corridor by prioritising the implementation of their rail modernisation strategy along C2 as part of Phase 1 of the IPTN. It is anticipated that C2 will be fully functional in terms of the strategy by 2018. Similar to the philosophy of the IPTN, the PRASA Rail Modernisation Strategy indicated below in Fig 25 has the user and the user needs at the centre of the system. Apart from significant upgrades to infrastructure and the purchase of new rolling stock, the following are some important features being planned for implementation:

- The upgrade and improvement of stations and station precincts in accordance with international best practice and the principles of universal accessibility and Transit Orientated Development (TOD);
- Exploring common branding and marketing with the municipal-managed, road-based IPTN services;
- Integrated ticketing system design and implementation (Smart Card, EMV Global Standard)
- Safety and Security Systems;
- Headways of 3 minutes;
- New trains being capable of carrying 2000 people;
- Capacities ultimately up to 60,000 - 80,000 persons per hour;
- Express services;
- Rationalisation of stations to work in an integrated manner with the proposed BRT systems; and
- Traveller information systems.

The Municipality and PRASA have forged a strong working relationship, by establishing a Rail Working Group and are both committed to the incremental roll out of the IPTN in a co-ordinated and cost-efficient manner that ultimately benefit the end user. The Municipality is preparing to manage the subsidies of all corridors within the IPTN including the C2 rail corridor.

3.4.10.1 2 CORRIDOR (RAIL)

This corridor extends from Bridge City/KwaMashu via Warwick to Umlazi and Isipingo - The main rail route will be upgraded to enable a more intensive, reliable and higher capacity service to be operated. The extension to Bridge City creates new journey opportunities, especially for employees. The C2 corridor can be seen below in relation to the Integration Zone which is shaded in dark red.

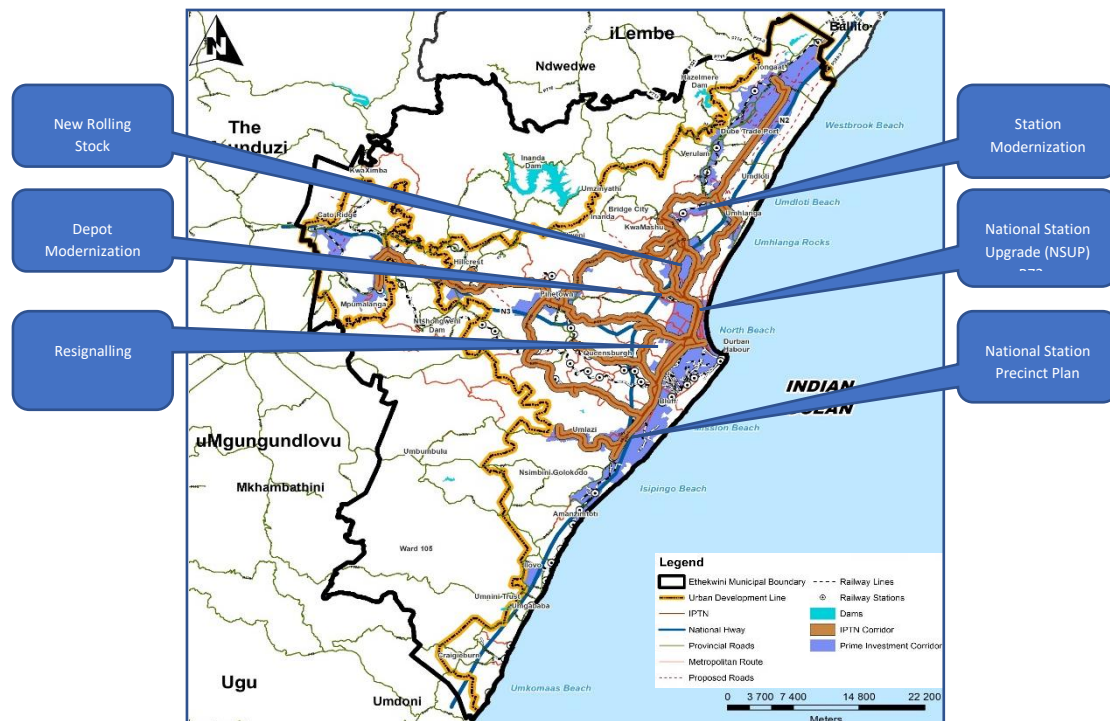


Fig 25 C9 Prasa Upgrade

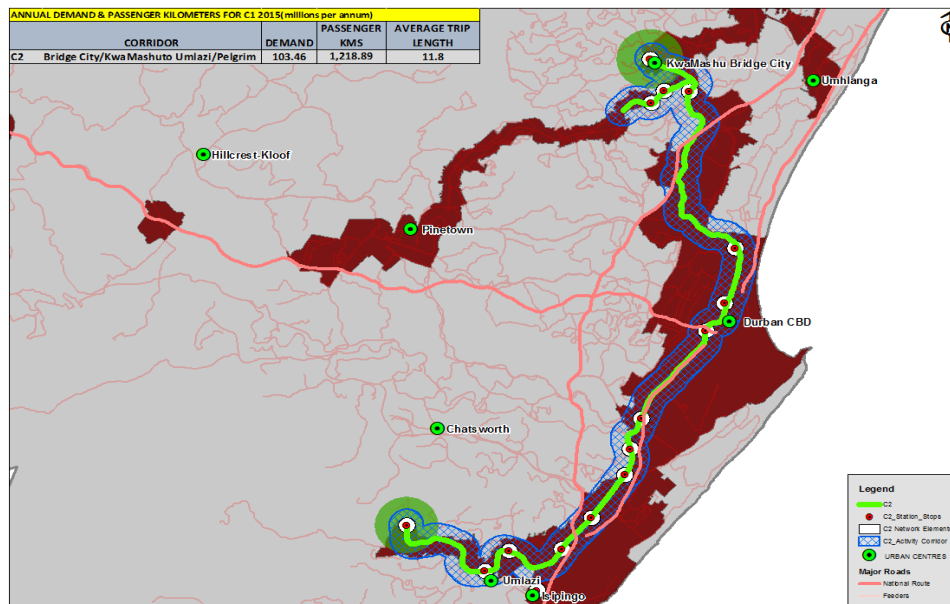


Fig 26 C9 C2 Rail Corridor

PRASA is investing significantly in the C2 rail corridor indicated Fig 26 as can be seen from the budget allocations to the various programmes on the Figure 19

3.4.10.2 C2 Progress to date

- Some station modernisation is already complete and can be seen in the pictures above;

- Delays have been experienced in the different programs and the 'go live' date of new services is likely to be pushed out;
- The Integration Planning Committee for eThekweni was approved in 2016 and has started operating;
- The business case for the devolution of the rail subsidy to eThekweni has been completed; and
- The business plan for C2 has been developed jointly between PRASA and eThekweni and is under discussion.

The success of the IPTN relies on the north-south rail network operating efficiently and the instability within PRASA nationally is a significant risk to implementation programmes and eThekweni will need to monitor this closely.

3.5 IPTN RESPONSE TO KEY SECTOR PROGRAMMES

The strategy-level alignment of the IPTN and the key sector programmes is reflected in the Figures 27,28 and 29 below. The detailed explanation of sector programmes in relation to public transport is reflected in the Catalytic land Development Sections of this document (Section C,D&E)

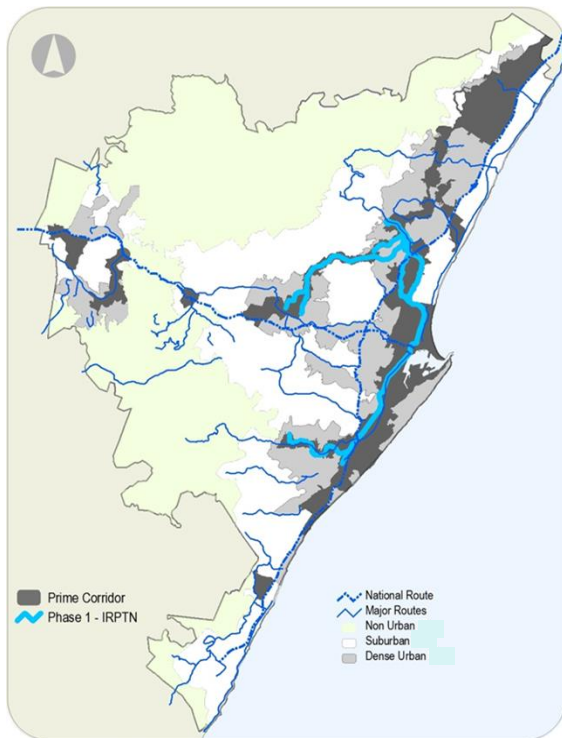


Fig 27 IPTN Phase 1 response to Prime Corridor

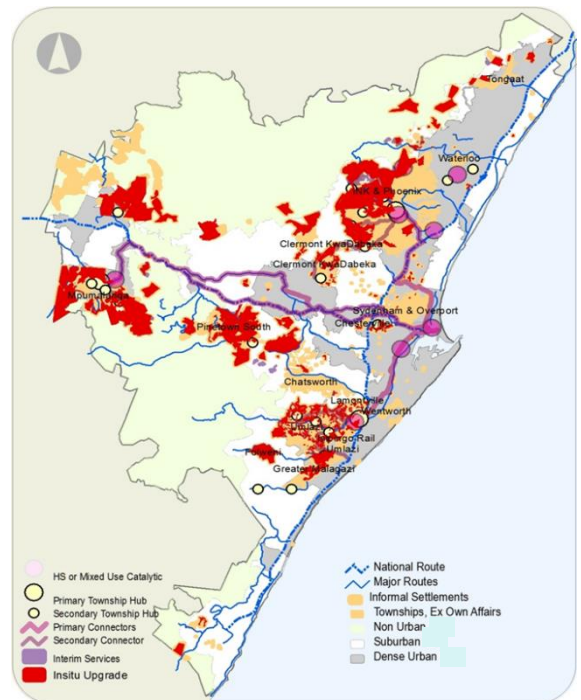


Fig 28 IPTN Phase 1 response to Human Settlements Upgrade Projects

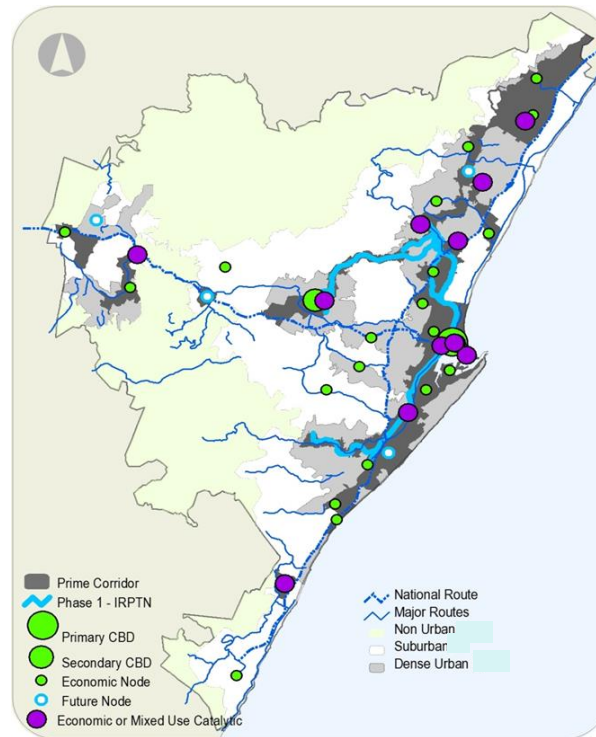


Fig 29 IPTN Phase 1 response to Economic Nodes

3.6 ETHEKWINI TRANSNET INTEGRATED FREIGHT TRANSPORT SYSTEMS PLAN

Durban is the trade gateway for the Southern African region, as the busiest port in terms of cargo value and shipping activity. One of the goals for transport in eThekweni is to develop an efficient and integrated freight transport system that will ensure regional economic stability. The region's transportation system requires the optimum integration of the different modes of transport that includes road, rail, aviation, maritime and pipeline with the appropriate modal balances.

To this end and in line with legislative provisions, the eThekweni Transport Authority (ETA) has developed an Integrated Freight and Logistics Strategic Framework and Action Plan for the entire eThekweni Municipal area.

This plan was adopted by eThekweni Executive Council on the 30 September 2015. The plan focuses on: creating an optimal modal split of freight; the enhancement of efficient freight systems; a suitable freight land use structure; and the development of supporting institutions and programmes. The plan aims to improve the port-city interface, industry requirements and how each of these connect with the broader economy of Southern Africa and the world, while still ensuring efficiency and ease of doing business within the municipal area.

The Integrated Freight and Logistics Strategic Framework and Action Plan addresses the following seven implementation elements:

- Infrastructure – road infrastructure, port and rail infrastructure, truck stops, intermodal facilities, truck staging areas, weighbridges and weigh-in-motions, intelligent traffic systems and traffic signage;
- Operations – incident management systems, and freight management systems;
- Policy and Regulation – policy and bylaw revision and the development of truck route hierarchies;
- Land Use – freight land use plan and port land use interface zones;
- Institutional Development – road rail liaison development, incident management, incentives and penalties application, and additional dedicated freight resources to key departments;
- Funding – funding sources, and incentives and penalties; and

- Communications –developing a freight communications strategy.

The implementation of this plan will involve a number of stakeholders from government, parastatals and the private sector. It is anticipated that much of the work will be on the successful implementation of the various elements of the plan from eThekweni Municipality and other relevant agencies.

Table 14 below shows various interventions from the IFLS that have commenced and are in the process of being developed or rolled out. The project stage (or phase) for each intervention has been detailed along with the estimated start date of the next phase of work and the estimated budget requirements. The key strategic intergovernmental partnerships for each deliverable have been listed, noting that the IFLS is ultimately a joint initiative that needs to be implemented by a range of key intergovernmental departments (Transnet, KwaZulu-Natal Province and SANRAL).

		Project Phase	Partnerships	Start
1	M7 rehabilitation	Implementation	eThekweni	2018/19
2	M7 expansion	Detailed design	eThekweni, Roads, SANRAL, KZN DOT	2020/21
3	Cato Ridge Intermodal Hub	Implementation	Cato Ridge Logistics Hub Consortium, Transnet, SANRAL, eThekweni	2019/20
4	National Road Capacity Improvements N2/N3	Detailed Design / Implementation	SANRAL	2020/21
5	2nd access to container terminal	Prelim Design / EIA	eThekweni, Transnet Group, TNPA	2020/21
6	SDB Truck Stop & Staging Area	Feasibility/ Conceptual Design	eThekweni, TPT, TNPA	2019/20
7	Freight Management System	Status Quo Assessment	eThekweni, TPT, Transnet Group, KZN DOT,	2020/21
8	Truck Route Hierarchy, abnormal & hazardous management	Feasibility	eThekweni, Transnet, Disaster Management, Metro Police, Fire Dept	2020/21
9	Bylaw amendment & legislation advocacy		eThekweni	

Table 14 IFLS Interventions

4 STRATEGIC OVERVIEW OF DEVELOPMENT RESPONSES: Marginalised Areas

4.1 MARGINALISED AREAS PLANNING & PROGRESS

4.1.1 OVERVIEW OF PROBLEM

Marginalised areas are a key component of the BEPP and they are the priority areas of expenditure of the USDG funds. The Marginalised Areas comprise Townships, Ex-Own Affairs Areas and Traditional Areas, and affect over 400,000 households, about 45% of the total number of households in eThekweni.

4.1.1.1 DISJUNCTURE BETWEEN LOW INCOME RESIDENTIAL AREAS AND AREAS OF EMPLOYMENT

As in most SA cities, jobs are not where the people live indicated in Figure 30 , and vacant land for housing is not where the jobs are.

Most jobs in the manufacturing, warehousing and transport industry are located in the centre, south and west of the municipality but a large number of workers live in the north. The economic and residential growth axis is now towards the North. This has been a trend for the last decade and the momentum is increasing with the development of the Greater DTP and Greater Cornubia.

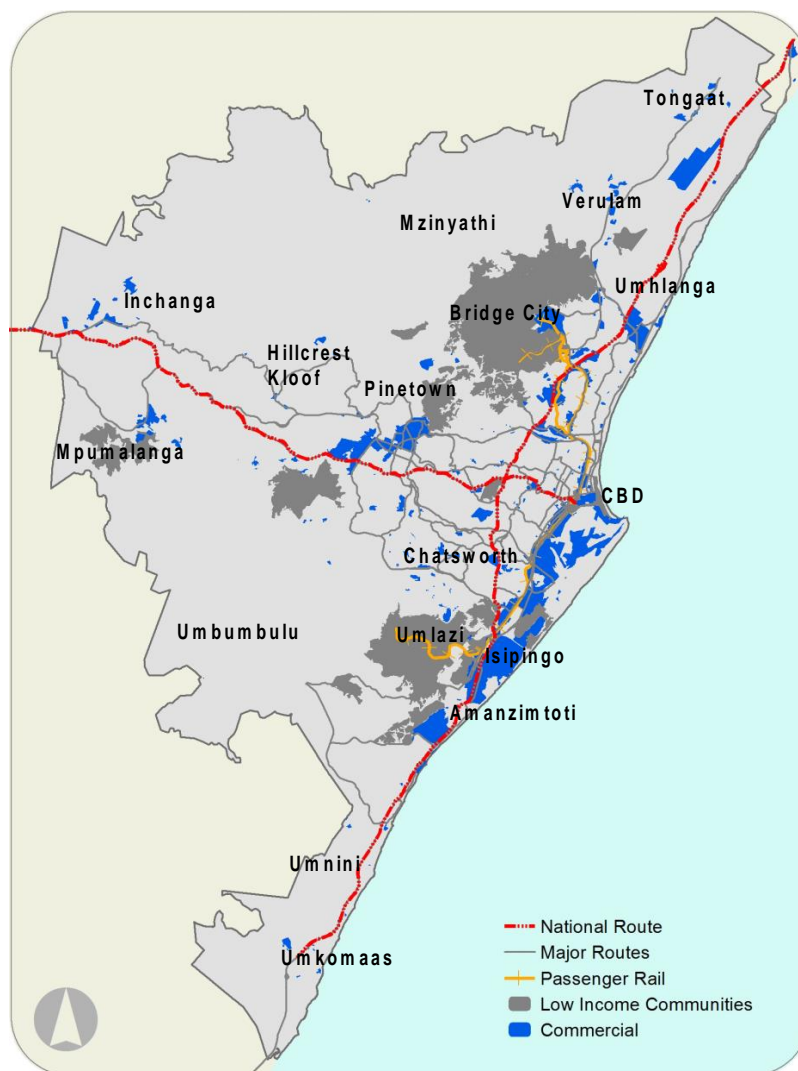


Fig 30 Low income communities in relations to areas of employment

4.1.2 URBAN AND SUBURBAN MARGINALISED AREAS

eThekweni has a backlog of approximately 287,000 families in shacks in informal settlements, mainly in and around existing Townships and Ex-Own Affairs Areas, which themselves suffer from poor connectivity, low levels of economic development, variable levels of access to basic social facilities, and generally poor urban quality. This excludes the 8000 transit facilities, the 49,000 informal structures in backyards in formal suburbs and 96,000 non-urban structures. If combined there is a total combined demand for 440,000 tenured topstructures and infrastructure. Based on an average delivery of 5,000 serviced dwellings per annum, it will take at least 90 years to fully upgrade all the informal settlements. There is also the imperative to spatially transform metropolitan areas through substantial improvements to the access of the poor to economic and social opportunities. The Figure 31 below show the geographic location of townships, ex-Own Affairs and informal settlements

To respond to both the fact that the formal housing programme is taking too long to respond to the housing need as well as the urgent need for improved access to urban opportunities, eThekweni will prioritise those human settlement projects that are well located and where intervention could make a significant contribution to spatial transformation. In parallel, the Municipality will provide incremental services to the tens of thousands of families living in informal structures in the less well-located and usually suburban locations. This kind of strategy is beginning to emerge at national level as well.

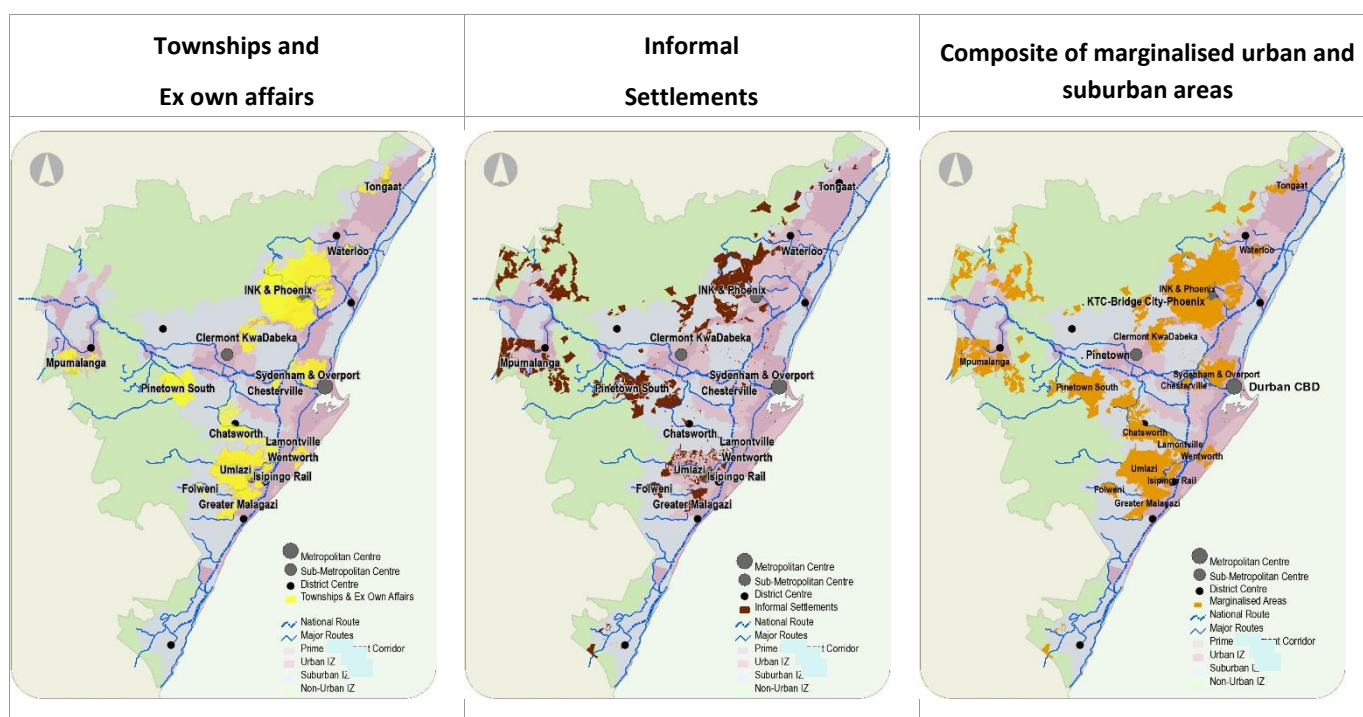


Fig 31 Urban and Sub Urban Marginalised Areas

4.1.1.3 STRATEGIC RESPONSES TO MARGINALISED AREAS

The Municipality has several responses to Marginalised Areas. These include:

- Connecting and upgrading townships through the public transport roll-out and the Urban Network Strategy (Hubs & Connectors);
- Social Facility provision via a hierarchy of social facility nodes;
- Developing large scale and mixed land use housing projects through the Housing Catalytic Projects programme;
- Provision of a suite of basic services via the Incremental Services to Informal Settlements programme;
- Provision of serviced sites and top structures via the Housing Upgrading Program; and
- Facilitating the provision of institutional and social housing in transit corridors.

These programmes can be seen spatially on the map below and more detail is provided for each programme.

4.1.1.4 CONNECTING TOWNSHIPS VIA THE URBAN NETWORK STRATEGY

The Municipality recognises Mpumalanga Town Centre, Umlazi V Node, and Bridge City as Primary Township Hubs, which will benefit from investments focused on connecting them more strongly to the CBD and Pinetown through road and rail improvements, and through improvements to public transport interchanges in the hubs. Via the Township Renewal Program, investments have been made consistently over the past five to ten years into the Primary Township Hubs, in higher order social facilities, economic facilities, and urban realm improvements. These investments as indicated in Figure 32, 33,34 below will continue. There are Secondary Township Hubs that are connected to the Primary Township Hubs. Here the strategy is to improve the road connections between the Primary and Secondary Hubs, and to make further investments into local economic, public transport, and social facilities. .

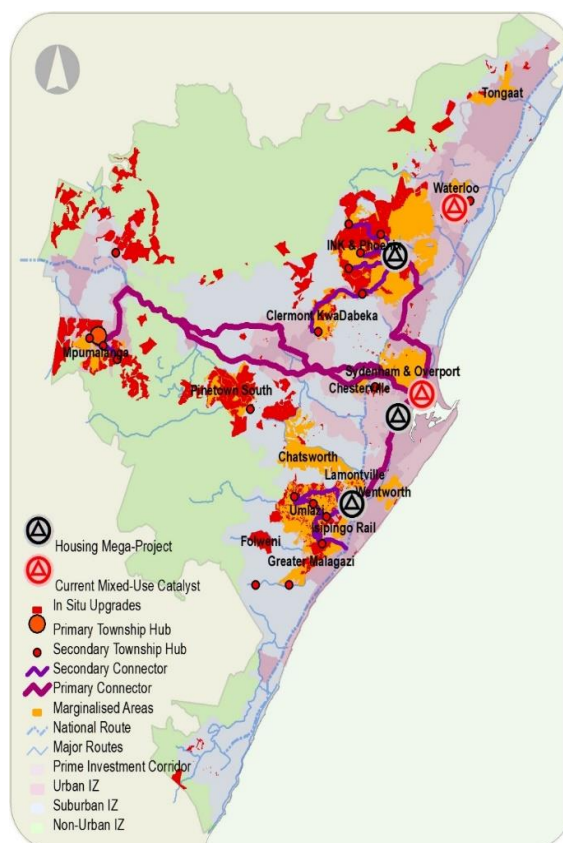


Fig 32 Composite Response to Marginalised Areas

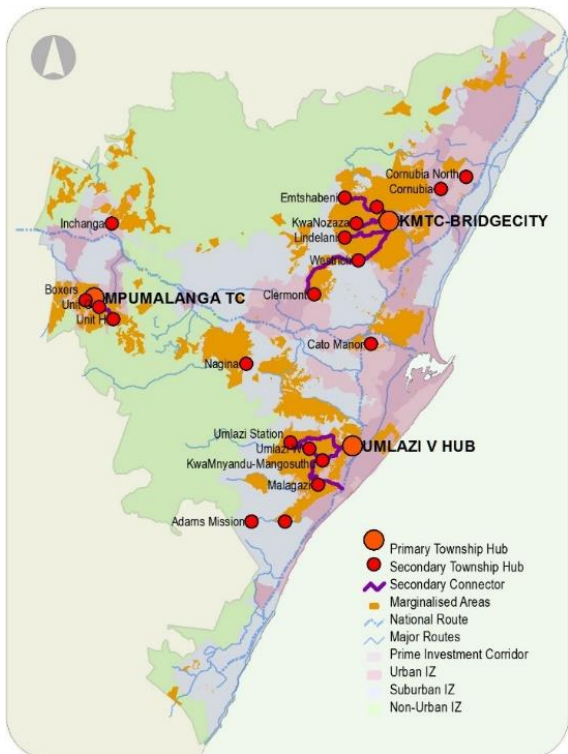


Fig 33 Hubs and Secondary Connectors

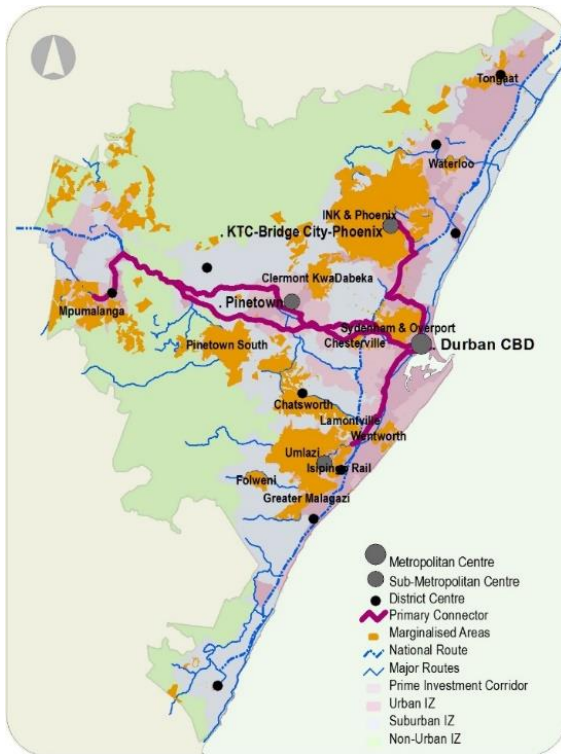


Fig 34 Connecting Townships to CBD

4.1.1.5 SOCIAL FACILITY NODES

This is outlined in more detail in the social facilities section which is in Part C of this document. However, in so far as neighbourhood level facilities such as parks, schools etc. it is crucial that these facilities are incorporated into the layouts of housing projects and that budgets are programmed in the MTEF to align with the construction of houses. This requires collaboration and integration within the municipality and with provincial departments.

4.1.1.6 ETHEKWINI HOUSING SECTOR PLAN (EHSP)

The Housing Sector Plan which is pitched at a strategy level, was approved by Council in June 2017. Currently the Plan is limited at this stage to fully and partly subsidised residential infrastructure. This edition of the EHSP covers the five-year IDP period 2016-17 to 2020-21. It however frames the five-year period within a time horizon for the following four MTEF's, from 2016-17 to 2028-29. A multiple MTEF period has been specifically selected because the housing program and project cycle, in eThekweni's experience, is typically long-term.

The purpose of setting a long-term horizon is to create increased certainty around capital budgeting for and procurements by the Municipality, and also for other spheres that have a human settlement function (most notably education and health).

Strategy	Spatial and Social Transformation Benefits
Incremental Services to Informal Settlements and freedom from fear of eviction for the poor	<ul style="list-style-type: none"> • Provision of core and social infrastructure • Eradication of core infrastructure backlogs • Informal tenure • Inclusion of the poor
Densification in Urban and Suburban Integration Zones	<ul style="list-style-type: none"> • Greater choice of where to live • Improved thresholds for economic development and public transport • More efficient use of core infrastructure and social infrastructure and a livelier property market
Increased focus on Rental	
Increased focus on main streaming subsidised housing into the Property Market	<ul style="list-style-type: none"> • Inclusion of the poor • Inclusion of Lower-Middle income groups • Stimulation of the Gap market segment • Livelier property market
Mix of medium-term big bangs and long-term steady programs	Encourages investment into the built environment by entities big and small, and by households

Table 15 Strategy Emphasis and Benefits

4.1.1.7 HOUSING SPATIAL PRIORITISATION MODEL FOR UPGRADES AND GREENFIELDS

eThekweni has steadily been developing its GIS-based Housing Spatial Prioritisation Modelling since 2011, when it first considered an explicit set of spatial criteria for choosing which candidate projects to develop further, and to inform the planning and typology brief for selected candidates. The significant criteria used are illustrated below. MOA with Shack Dwellers Association was signed in May 2018.

Accessibility to PT and least-cost Infrastructure featured as major HSPM criteria. The Model went on to disaggregate the major criteria into sub-criteria, and to use relative weightings. Noteworthy new sub-criteria were in proximity to the Feeder Routes of the IPTN, and the disaggregation of the Cost Surfaces Model in order to prioritise Sewer as a more strongly-weighted sub-criterion than Water, Stormwater and Electricity. In 2014, the Model was updated to factor in Proximity to Catalytic Projects, and to factor in Disaster Considerations of fire, flash-flood / washaways, and landslide risks. A set of unique Model Weightings was developed for Greenfields, and another set for Upgrades.

Utilising a scoring matrix with a bias towards the Cost Surfaces Model (limiting bulk infrastructure costs), a priority list of Greenfield and informal settlements earmarked for upgrade projects can be generated. Improved locations of housing and improved accessibility, especially of low-income housing, is a major goal of the Housing Spatial Plan. In addition, the Model allows the alignment of projects against the objectives of the Integrated City Development Grant (ICDG). In other words, projects would naturally score highly if located within the Prime Corridor and Urban Zones as well as some portions of the Suburban Zones. Not only would it be beneficial for the City to implement projects where infrastructure, social amenities and employment opportunities are already available and at lower costs, but also the City benefits from enhanced performance-based incentives from National Treasury via the ICDG. The Model therefore helps align projects to the city's spatial targeting strategies.

An example of applying the Model to informal settlement upgrading projects is the ability to determine appropriate interventions viz. full upgrading and incremental and/or basic services. The Figure 35 illustrates the intention of Model applied to Informal Settlement Upgrade Projects.

The rationale is for the housing delivery program to work its way from the top of the list viz. selecting those settlements that were least costly to implement from a bulk infrastructure perspective and those that were fairly well located. On the other hand, settlements that did not score so well on the matrix viz. those at the bottom of the list (where the affected households would have had to wait longer for a housing intervention) were identified for the Basic Services program. The idea being that as both the housing delivery program and the Incremental Services program work their way from the top and bottom of the list respectively, they will eventually meet somewhere in the middle having covered all settlements with some form of intervention.

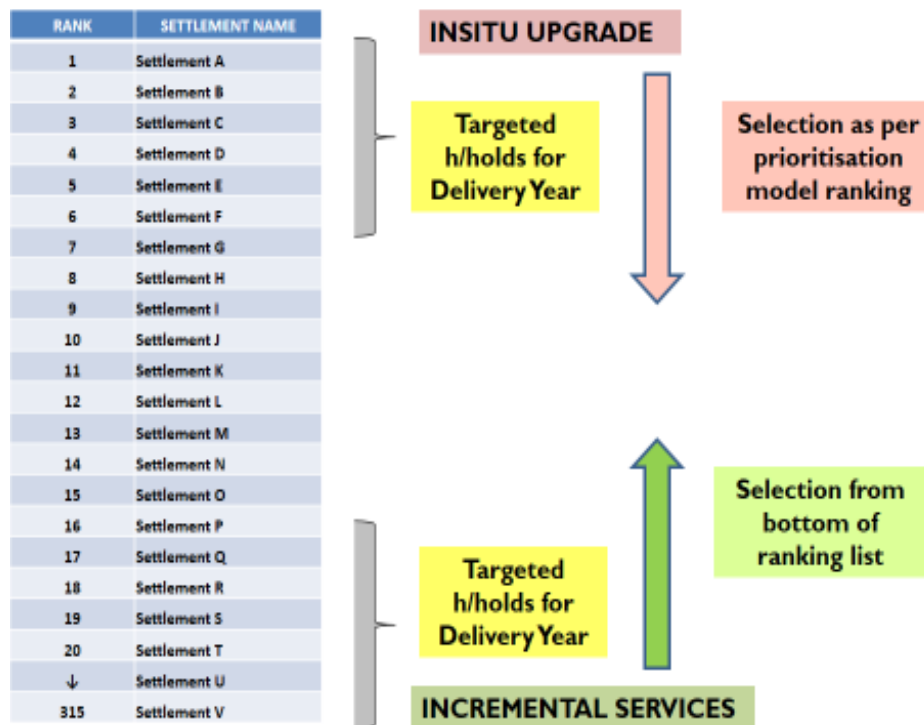


Fig 25 Proposed Informal Settlement Project Selection

4.1.2 PRIORITY HOUSING DEVELOPMENT AREAS

Priority Housing Development Areas (PHDA's) are intended to advance Human Settlements Spatial Transformation and Consolidation by ensuring that the delivery of housing is used to restructure and revitalise town and cities. The PHDA's are underpinned by principles of the National Development Plan (NDP) and allied objectives of the Integrated Urban Development Framework (IUDF) which includes:

- **Spatial justice:** reversing segregated development and creation of poverty pockets in the peripheral areas, to integrate previously excluded groups, resuscitate declining areas.
- **Spatial Efficiency:** consolidating spaces and promoting densification.
- **Access to Connectivity, Economic and Social Infrastructure:** ensuring the attainment of basic services, job opportunities, transport networks, education, recreation, health and welfare etc.
- **Access to adequate accommodation:** provision of affordable and fiscally sustainable shelter in areas of high need.
- **Provision of quality housing options:** ensuring different housing typologies are delivered to attract different market segments at the appropriate quality and innovation.

The PHDA's proposed are meant to support the Municipality in prioritizing housing development applications in terms of The Spatial Planning and Land Use Management Act (SPLUMA). This initiative will also direct housing finances to areas that promote inclusive residential markets instead of further segregating people by income race, age and gender. The PHDA's require specific programmatic intervention and support to advance the principles of spatial transformation and consolidation.

The elements of the proposed PHDA's, include amongst others the Prime Investment Corridor (PIC) and the Urban Integration Zones. These Integration Zones are primarily the foundation or backbone of the PHDSs given their targeted approach for public intervention to promote more inclusive, efficient and sustainable forms of urban development. This approach also aims to achieve long-term spatial transformation and inclusivity, facilitating economic growth and improved service delivery. Overlapping with the PIC and Urban Integration Zones are the Social Housing Restructuring Zones as well as the approved and potential Housing Catalytic Projects.

The Social Housing Restructuring Zones aim to restructure areas by seeking to achieve three main dimensions of restructuring viz. spatial, social and economic while the Housing Catalytic Projects also have the underlying principle of being spatially targeted interventions whose main objective is to intervene to deliberately restructure settlement patterns and impact on the environment.

The Figure 36 below outlines the Composite Plan of the proposed PHDA's for eThekweni Municipality. The proposed PHDAs adequately capture the objectives of other key initiatives from both a local and National perspective.

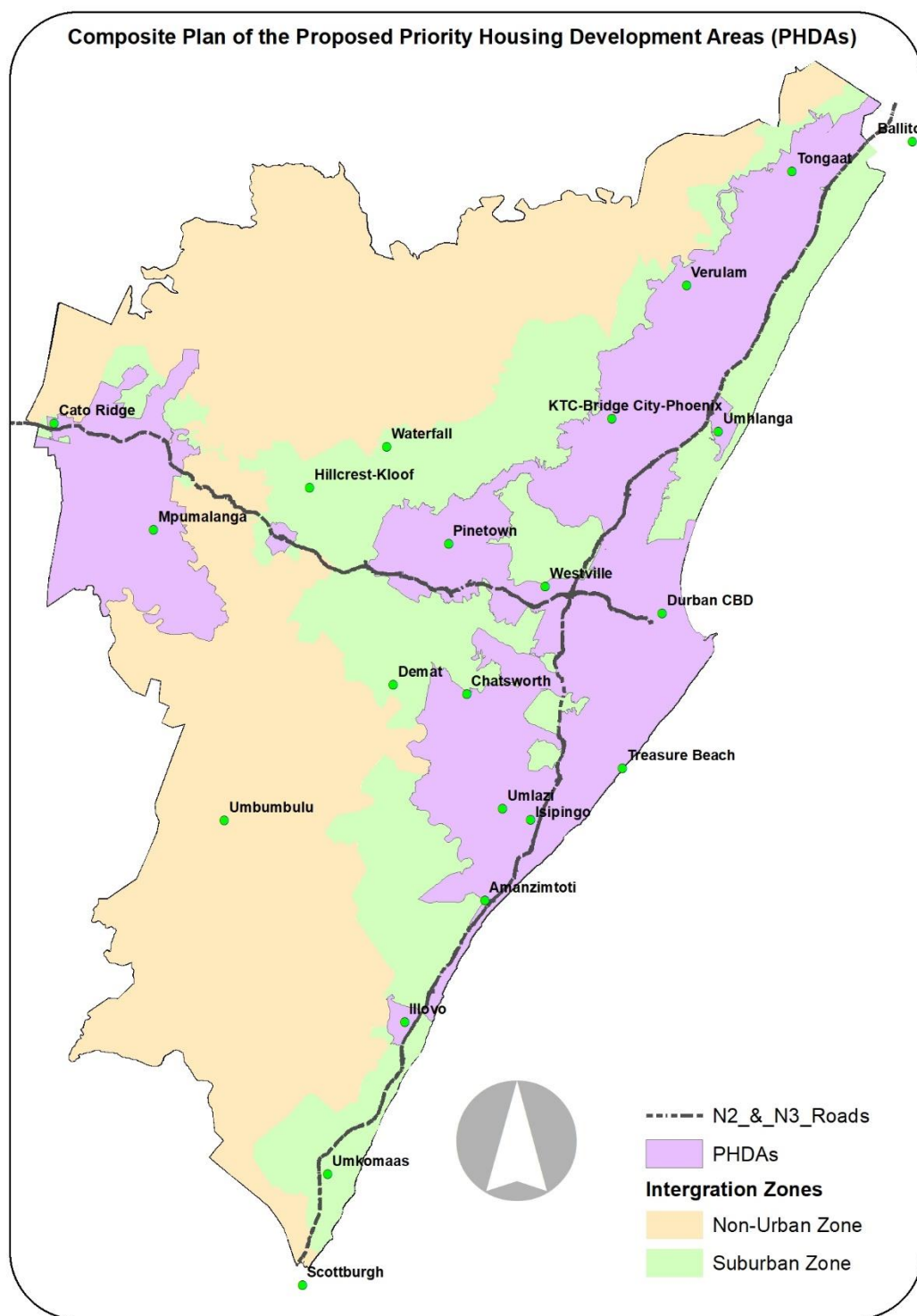


Fig 36 Priority Housing Development Areas

4.1.3 CATALYTIC LAND DEVELOPMENT OPPORTUNITIES

The areas where value is created in land, and where local government plays an influential role, can be summarised into five themes:

- Location and land use;
- Local governance;
- Market demand;

- Investor confidence; and
- Spatial targeting.

Land markets build on, exploit and manipulate this value based on supply and demand driven by local and macroeconomic forces and access to finance. They then capture this value, generating returns and further potential or competitive value in land or market value. These themes also have to be tempered against the current mandate of human settlement delivery with regard to subsidy provision for infrastructure and subsidies for top structure upgrades and provision at BNG level. This has been captured in Section 9 in this document that covers, inter alia, the National Department of Human Settlements approved 5 catalytic projects that links directly with the city's list of catalytic projects.

4.1.3.1 PRIORITISED PROGRAMS

The Municipality has numerous housing programs, however the programs that have been prioritised in this edition of the EHSP are:

- Housing Catalytic Projects;
- Incremental Services to Informal Settlements;
- Institutional and Social Housing;
- Affordable Housing;
- Upgrades and Greenfields;
- Retrofit of Engineering Services; and
- Township Establishment, Infrastructure Handover, and Title Deed Issuing for RDP projects.

How the Prioritised Programs help to achieve spatial and social transformation is listed in Table 16.

Program	Spatial and Social Transformation Benefits
Housing Catalytic Projects	<ul style="list-style-type: none"> • Integrated and sustainable provision of housing opportunities • Provision of core infrastructure, residential infrastructure, economic infrastructure • Improved connectivity to the urban network
Incremental Services to informal settlements and freedom from fear of eviction for the poor	As for strategy of universal access to basic services
In Situ Upgrades and Greenfields	As for strategy of universal access to basic services plus creation of residential ownership stock
Township Establishment, Infrastructure Handover, and Title Deed Issuing for RDP projects	<ul style="list-style-type: none"> • Formal upgrade, handover, maintenance of municipal infrastructure • Cadastral subdivision • Formalisation of zoning and development rights • Formal tenure • Livelier property market
Retrofit of Engineering Services	

Medium and High-Density Housing – Low Income CRU, Hostel CRU, Social, Affordable, Gap	Creation of new rental and ownership residential stock More efficient use of core infrastructure & social infrastructure
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Table 16 Spatial and Social Transformation Benefits of Housing Programs

The report will subsequently focus on the following prioritised programs in response to Marginalised Areas:

- Housing Catalytic Projects including Social and Affordable Housing which are key interventions amongst others in Catalytic Project areas;
- Incremental Services to Informal Settlements; and
- Upgrades of Informal Settlements

4.1.4 HOUSING CATALYTIC PROJECTS

4.1.4.1 PROGRAM FEATURES

Housing Catalytic Projects:

- Create complete human settlements;
- Cater for people in various income bands;
- Aim at increased densities;
- Are very well connected to public transport;
- Are large, each over 5,000 housing opportunities;
- Require major infrastructure investment;
- Require a mix of public funds;
- Aim to also leverage private investments including household investments;
- Require highly developed and multiple skills to conceptualise; and
- Have multiple stakeholders.

The Human Settlements Unit champions five catalytic projects (shown on the adjacent map), namely:

- Greater Cornubia (comprising Cornubia Phases 1 and 2 and Cornubia North);
- KwaMashu-Bridge City Urban Hub;
- Inner City;
- Greater Amaoti Informal Settlement Cluster; and
- Umlazi Urban Regeneration;

4.1.4.2 LOCATIONAL CRITERIA

Housing Catalytic Projects are strategically located within or near to the Integration Zone or Prime Investment Corridor (PIC). All of projects are either in the PIC or immediately adjacent in the Urban areas, except for Amaoti, which is in the Suburban area, and which therefore will be slightly less intensively developed than the others.

4.1.4.3 PROGRAM SCALE

The program intends to deliver about 105,000 housing opportunities. It is also intended to deliver numerous permanent jobs for maintenance of core infrastructure, operations of social facilities, staffing in local businesses etc.

4.1.4.4 PROGRAM ORIGIN AND DURATION

Cornubia pre-dates the start of the program, and serves as a process template for the other Housing Catalytic Projects. The program is likely to run for about two decades. The NDHS has subsequently approved the Inner City, Cornubia, Umlazi, KwaMashu Bridge City Hub and Greater Amaoti as Housing Catalytic Projects these are indicated in Figure 37 below.

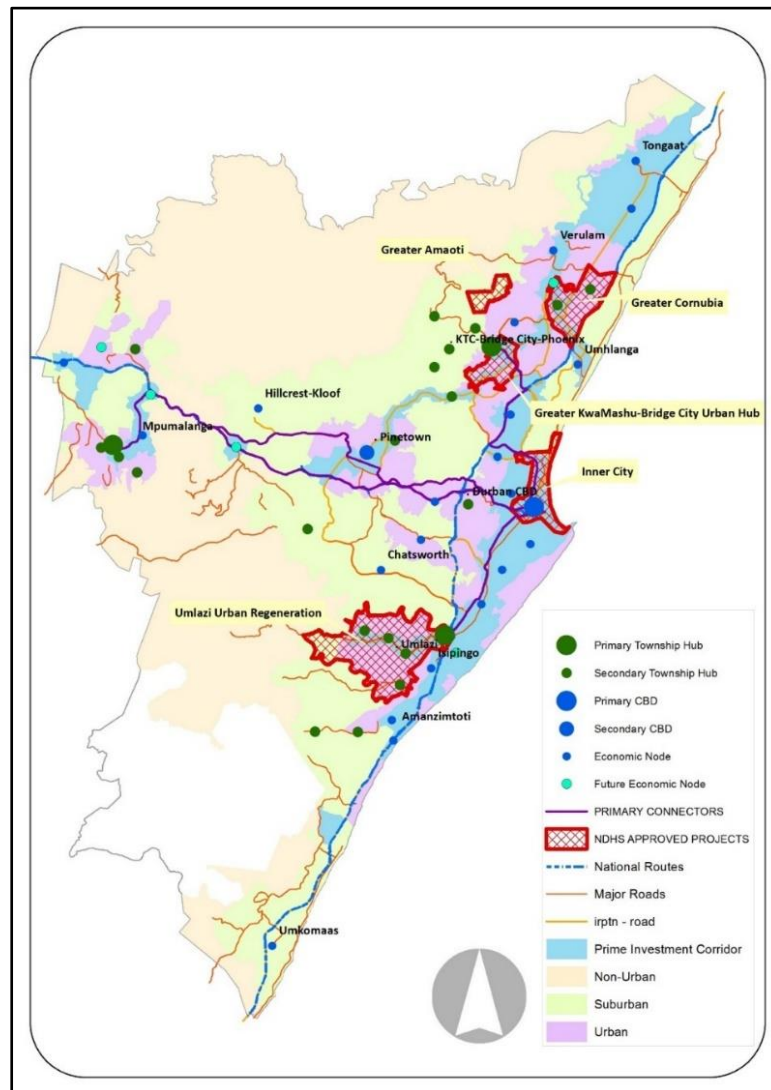


Fig 37 NHDS

Prime Investment Corridor

Housing Projects in Relation to the

4.1.4.5 CATALYTIC PROJECTS RESOURCING

Project	Integration Zone	Housing Project Stages (as per phase)	2020/21 Budget Rm	2021/22 Budget Rm	2022/23 Budget Rm	Total MTEF Rm
Greater Cornubia	Prime Corridor and Urban	Implementation	185	63	tbh	tbh
Greater Amaoti	Suburban	Packaging and Implementation	17	28		
Umlazi Urban Regeneration	Prime Corridor and Urban	Packaging and Implementation	201	186		
Inner City	Prime Corridor	Feasibility	130	103		
KwaMashu-Bridge City Urban Hub	Prime Corridor and Urban	Conceptual and Packaging	74	62		
TOTAL			9	442		

Table 17 Housing Catalytic Projects Budget as per 2020/21 MTEF

The Table 17 above represents the budgets of all Municipal departments within the Housing Catalytic Projects.

4.1.5. CORNUBIA

Phase 1 has been completed: 3561 units.

Some of the challenges from the underlying poor geotechnical and steep topographical conditions resulting in additional costs for construction costs and the removal of excessive spoil material and the moving back of Cornubia beneficiaries back to informal settlements have been well documented.

Currently the process is addressing Phase 2.

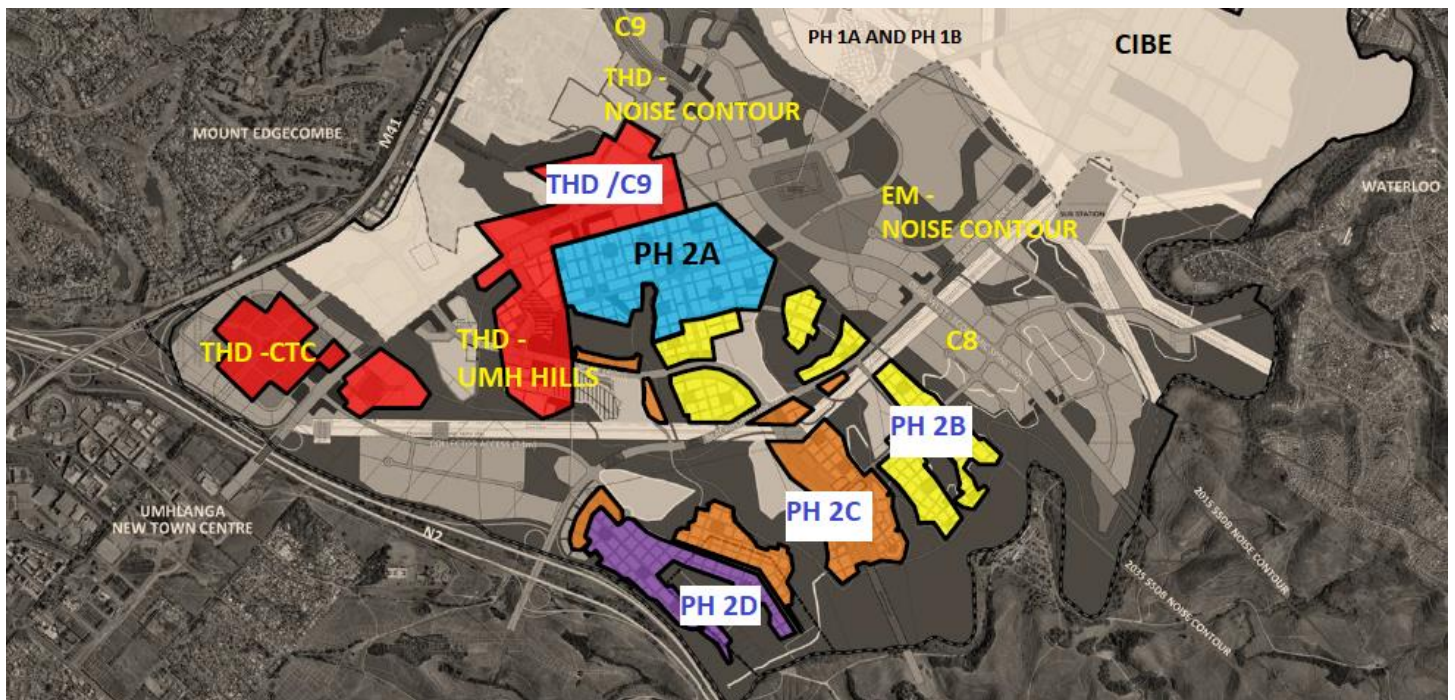


Fig 38 Cornubia Development Phases

Figure 38 indicating the various phases in Cornubia and the Cornubia Boulevard C9 route

Phase 2A

- The original proposed ±2,300 BNG units have been revised to include FLISP housing.
- The SPLUMA application for 875 housing units on the southern portion of Phase 2A was approved in April 2019.
- The tender for the installation of civil infrastructure has been evaluated and an award is awaited.
- The tender for the construction of top structures is been finalised.
- Construction on a portion of this site is been delayed due to the amendment of the design and housing typology to fully integrate with change of design of the Cornubia Boulevard Transit Mall to densify this key public transport route. Consequently 4 storey walk-up affordable housing units are been proposed. This will effectively integrate the Transit Mall development with BNG housing typologies.
- Detailed planning for the northern portion of Phase 2A was delayed due because additional geotechnical investigations had to be conducted when adverse underlying ground conditions were unearthed. Replanning has commenced taking into account the need to also integrate the Cornubia Transit Mall.

Phase 2B

- The Project Manager and planning consortium have been appointed and the planning process has commenced. A mixture of BNG, Affordable and Social Housing (±3400 units – final number to be confirmed at detailed design stage) are currently been explored.

Phase 2C

This will consist of a mixture of BNG, Affordable and Social Housing. Tender documents for the detailed planning to SPLUMA approval are been prepared for SCM Bid Committee.

Phase 2D

It will consist of a mixture of BNG, Affordable and Social Housing. Tender documents for the detailed planning for SPLUMA approval are been prepared for SCM Bid Committee.

This phase includes land to address:

- the Blackburn informal settlement, and
- gap, affordable and FLISP housing.

A one hectare serviced site with a potential yield of 220 affordable units has been made available. The land is to be released to private developers at 30% of its market value to ensure that unit sale prices do not exceed R500,000.00 in order to target the lower income spectrum of potential of FLISP beneficiaries.

4.1.6 BRIDGE CITY

	Name of Project	Ward	Estimated Yield	Status 1: Prefeasibility	Status 2: Feasibility	Status 3: Awarded to SHI	Status 4: Statutory	Status 5: SHRA
1.	Sites 33, 34, 35, 46 & 47 all of Rem of Portion 133 Bridge City	54	1000	√	√	√	Underway	Pending
2.	KwaMashu Town Centre Erf 592 – 639 KwaMashu P	54	520	√	√	√	Underway	Pending

Currently all the above projects are still been reviewed by SHRA.

Table 18 Potential Unit Yields and Progress

4.1.7 INNER CITY

	Name of Projects	Ward	Estimated Yield	Status 1: Prefeasibility	Status 2: Feasibility	Status 3: Awarded to SHI	Status 4: Statutory	Status 5: SHRA
1.	Table Tennis Building Erf 3405 / 3406 Durban	28	150	√	√	√	Amafa Underway	Pending
2.	44 Lancers Road Building Portion 2 of Erf 6154 Durban	28	300	√	√	√	Amafa Underway	Pending
3.	71 Play fair Road Erf 1140 Durban	26	177	√	√	√	Rezoning	Pending
4.	Morans Lane Portion 1 of Erf 6093 Durban	26	127	√	√	√	Rezoning	Pending
5.	Umngeni Road (various Council owned properties)	26	1500	√	√	√	RFP March 2019	

Currently all the above projects are still been reviewed by SHRA.

Table 19 Potential Unit Yields and Progress

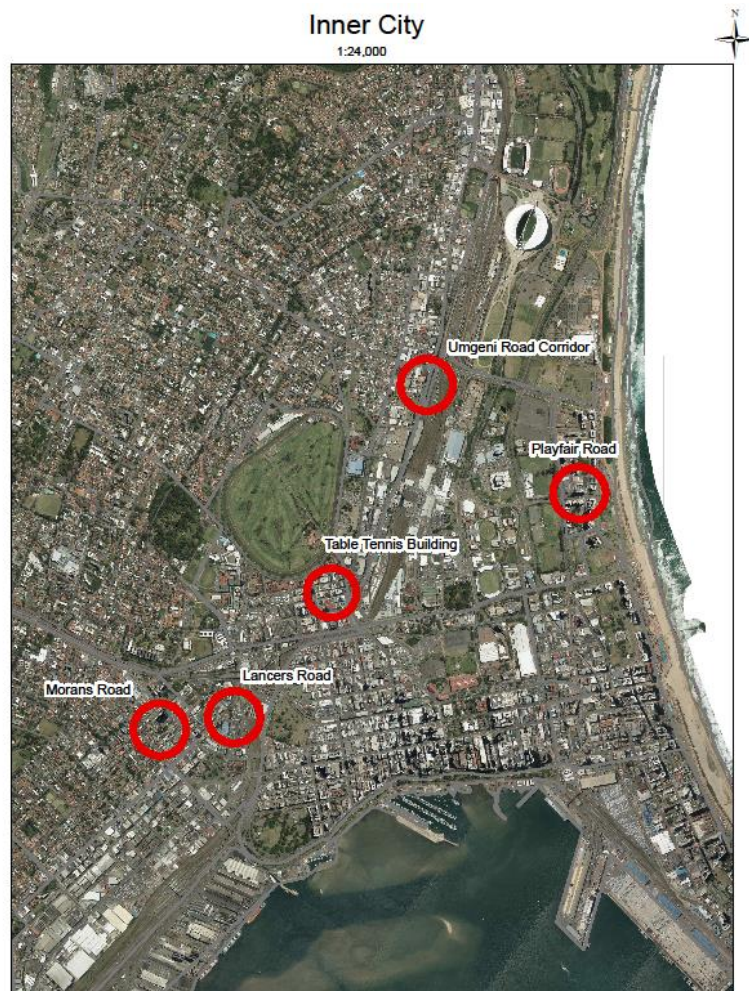


Fig 39 Inner City Housing Projects

4.1.8 AMAOTI

PROJECT NAME	WARDS	YIELD	STAGE	PHASES	COMMENTS
Greater Amaoti Housing Project	52,53,56,59,102	±20 000 units	Detailed Planning	To be determined once professional team has been secured	<ul style="list-style-type: none"> Existing professional team was appointed to obtain Tranche 1 Approval and contracts have lapsed for various service providers. The procurement of the required professionals to undertake the detailed planning and phasing will be procured through the Department of Human Settlements
Amaoti Cuba Housing Project	53	1148	Planning and Implementation	Phase 1: (183 sites) Implemented Phase 4: (252 sites) ready to be implemented Phase 2: (56 sites) & 3(457 sites):	Phase 2 & 3: Detailed Planning in progress.

Table 20 Potential Unit Yields and Progress

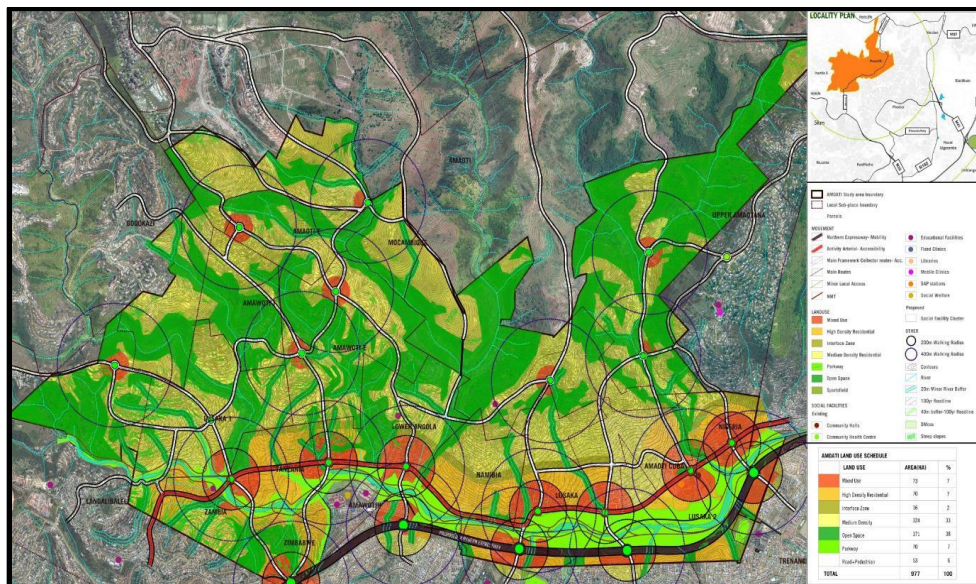


Fig 39 Amaoti Planning Framework

4.1.9 UMLAZI

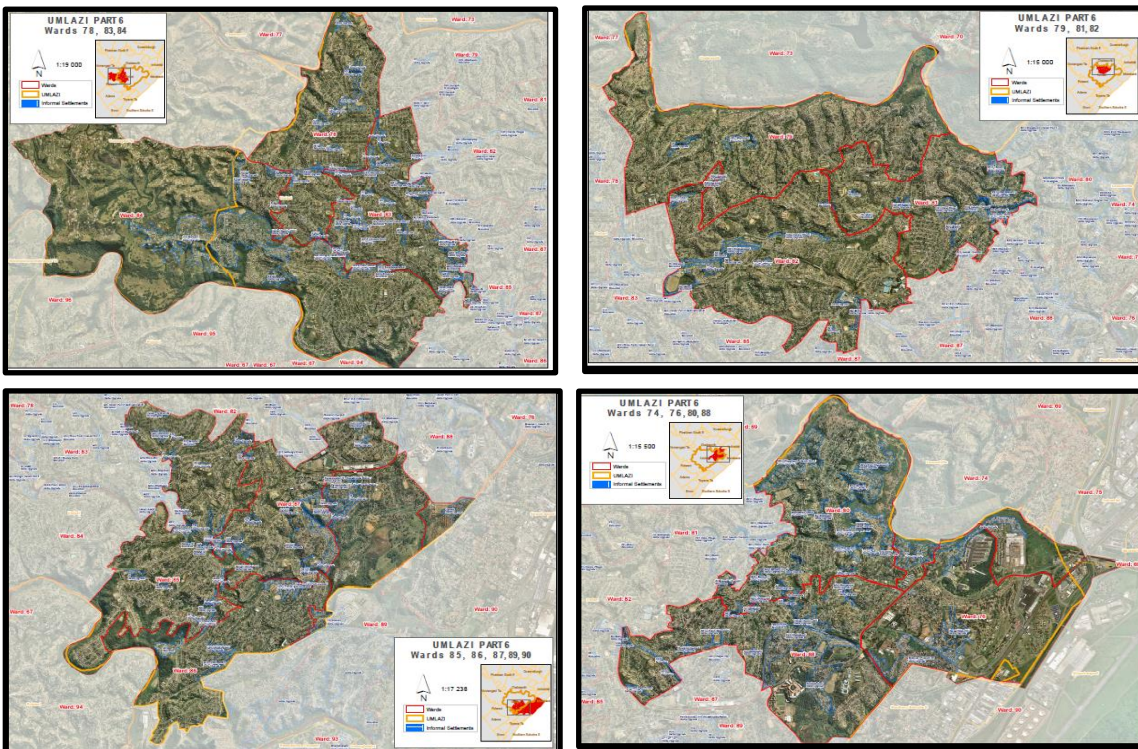


Fig 40 Umlazi Planning Clusters

The four clusters of wards as indicated in Figure 40 above have prompted a request for proposals – Part 6 of Umlazi Infill - is an extension of previous projects that have been approved and completed in uMlazi. The project is limited to 1000 units per ward. The awarding of the four tenders took place in late 2019 and is currently underway. The intention is to consolidate a set of SPLUMA applications across the length of breadth of Umlazi to address the proposed in-situ upgrades. The planning and feasibilities for proposals will take up to 2 years. In the meantime, other projects will continue, including the production of title deeds and a host of infrastructure related projects at Umlazi and at ward level.

4.1.9.1 BUDGET REQUIREMENTS AND FUNDING SOURCES

The program requires approximately R85 bn in capital investments at current prices. Potential funding sources include:

- USDG;
- HSDG;
- Municipal Funds;
- Other spheres for some of the social infrastructure, particularly schools and clinics;
- Other spheres for some of the core infrastructure, particularly provincial or national routes, bridges and interchanges; and/or
- Private Investments, particularly for the development of commercial sites, and for developer contributions to core infrastructure.

4.1.9.2 INVOLVEMENT OF HDA

In terms of the catalytic projects as agreed by National Department of Human Settlements the HDA will be part of the team responsible for the implementation of the human settlement catalytic projects. The HDA acts as Programme Manager for the catalytic projects and is to provide secretariat functions which may include the following:

- Compiling progress reports for submission to the technical Committee and other relevant oversight structures such as MINMEC and joint Committee of Mayors and MEC.
- Ensuring that timeframes for the submissions, reports, minutes in relation to the operation of the Steering Committee are met.

Social and Affordable Housing are key components to ensuring that Catalytic Projects are truly integrated through the provision of a range of housing types and income levels. These programs are briefly outlined below.

4.2 INSTITUTIONAL AND SOCIAL HOUSING

4.2.1 PROGRAM FEATURES

The aim of Institutional Housing is to subsidise the capital costs of creating rental stock for income groups between R1,500 and R15,000 per month. The program is typically implemented by non-profit organisations (NPO's).

The eThekweni region has 6 accredited Social Housing Institutions

1. First Metro Housing Company;
2. Sohco;
3. Motheo;
4. Vascowiz;
5. Ubuntu Housing Association; and
6. Royal Stock Housing.

In recent years eThekweni has initiated the release of land and property for the growing number of accredited social housing institutions in the city. In terms of the city's housing catalytic programme a concerted effort has been placed in Cornubia, Bridge City Urban Hub, and the Inner City. The Umlazi Regeneration Project and Amaoti still concentrates on the lower spectrum of income levels, concentrating on the BNG market.

Furthermore, it should be noted that a few of the SHIs have acquired property and developed projects independent of eThekweni Municipality land and buildings. First Metro Housing Company's 12 projects throughout Durban are, for example, managing 1218 units. Sohco manages more than 600 units in the city along with 21 commercial units. Vascowiz has done work in student accommodation, generating over 1400 units close to tertiary institutions in the city, notably Durban University of Technology (DUT) and the University of KwaZulu Natal (UKZN).

There is a tendency for some of the independent social housing projects to be developed – in technical terms – outside of the Restructuring Zones. However, this speaks more to the issue of property values and land prices than a spatial procedural challenge. Furthermore, it also makes a comment on the stagnant subsidy structure which remained unchanged for years until recently. It also broadly reflects the state of the economy in that rising construction costs and densification don't always make good financial partners.

Social Housing covers rental stock for income groups between R1,500 and R15,500. Social Housing may result in refurbishments or new-builds. The program is implemented exclusively by Social Housing Institutions. Questions have been raised whether the income targets are sustainable under the available subsidy scheme quantum and

given the operating costs required to meet the set standards. The Social Housing Program needs to be viewed alongside a Private Rental sub-market, which targets a similar income band, and does so without subsidy, and without the building and operating standards.

Institutional Housing may be applied anywhere. Social Housing Program must be in Restructuring Zones, which are identified by municipalities and approved by NDHS. The two primary locations for social housing have been identified in terms of the catalytic human settlement projects programme referred to earlier in this section – notably Bridge City KwaMashu Town Centre hub and the Inner City. Cornubia is in the process of addressing potential social housing and gap housing initiatives in Cornubia Phase 2.

4.2.1.1 PROGRAM SCALE

These programs have been small scale. A national review of the housing policies and subsidies however recognises that Social Housing plays an important city-building role, and is intended to be significantly up-scaled. Available plans, notably the Inner-City Local Area Plan (LAP), suggests there is scope for about 100,000 units in the core inner city region. Added to that is the intention that Housing Catalytic Projects should aim at a quarter to a third of residential units to be rentals.

4.2.1.2 PROGRAM ORIGIN AND DURATION

Housing for Special Needs and Vulnerable Groups has been traditionally supplied by faith-based and secular NPO's for over a century. Social Housing is however a relatively modern variation on public rental housing stock. The program is a long-term one.

4.2.1.3 BUDGET REQUIREMENTS AND FUNDING SOURCES

Assuming a first phase of 10,000 units, then the capital requirements excluding land acquisition will be in the order of R 3 Bn. Current capital funding sources include:

- Restructuring Grants;
- Institutional Housing Subsidies;
- Private Equity; and
- Development Finance.

4.2.1.4 CAPACITY OR SYSTEMIC REQUIREMENTS

The municipality's role is to facilitate investments by SHI's and NPO's. Social Housing is intended as a component for most of the Housing Catalytic Projects. The capacity that is required to be developed by the Municipality is improved market intelligence on the sub-market size and profile, and on customer and supplier interest in the targeted locations. Where the Municipality avails its own properties for Social Housing at a discount (as has been the case in the past) or via a lease, or where it wishes to acquire land for social housing, then the capability to compile technical plans and strategic business plans needs to be developed. Given the small scale of the program delivery to date, there will be a need for the number and supply capacity of SHI's to be enhanced.

4.2.2 AFFORDABLE HOUSING

4.2.2.1 PROGRAM FEATURES

To assist households in the affordable housing market, the national government avails financial assistance to individual households with monthly incomes of R 3,500 to R 22,000 who are often excluded from the bond market. The government assistance takes the form of assistance related to down payments for mortgage (Finance Linked Individual Subsidy Program - FLISP) and Mortgage Insurance. Mortgage Insurance has been included in Outcome 8,

with a target of assisting 600,000 households countrywide but this program is not operational yet. “This Program [FLISP] provides access to state assistance where qualifying households wish to acquire an existing house or a vacant serviced residential stand, linked to a house construction contract through an approved mortgage loan. These properties are available in the normal secondary housing market or have been developed, as part of projects not financed through one of the National Housing Programs. The Program encourages the growth of the secondary residential property market achieving an objective of the Comprehensive Plan for the Creation of Sustainable Human Settlements.” []

Affordable housing is developed by private developers. The city takes on a facilitating role by:

- Selling well-located land (infill locations) to developers at cost; and
- Allocating the units to households in the affordable income bracket.

4.4.4.2 LOCATIONAL CRITERIA

Preferably in the PIC but will be considered if accessibly located within the Urban and Suburban areas. This program is intended to play a role in establishing socially integrated suburbs. In eThekwini, the most prominent project in this regard is Cornubia where a mix of housing types for different income groups is planned.

4.4.4.3 BUDGET REQUIREMENTS AND FUNDING SOURCES

- FLISP;
- Mortgage Insurance; and
- Land sales at cost (indirect Municipal funding support).

4.2.3 SOCIAL AND AFFORDABLE HOUSING PIPELINE

eThekwini Municipality issued (Request for Proposal) RFPs for detailed feasibility studies for a range of social housing projects in the Inner City and the Bridge City and KwaMashu Town Centre catalytic housing projects – see tables above. The Figure 41 below outlines the location of all the Social and Affordable Housing Projects planned over the next three years, including those where no RFPs have been issued as yet. Eighteen of the projects are located within the PIC or in the key C3 IPTN corridor linking Bridge City to the Pinetown region, providing a potential yield of just over 12,500 units. It should be noted that 9 projects within the PIC are located within the Inner City and the Kwa Mashu Urban Hub Housing Catalytic project areas. A significant number viz. 6,500 units are currently part of the Infill Housing programme targeting the affordable market located primarily in the urban and suburban zones.

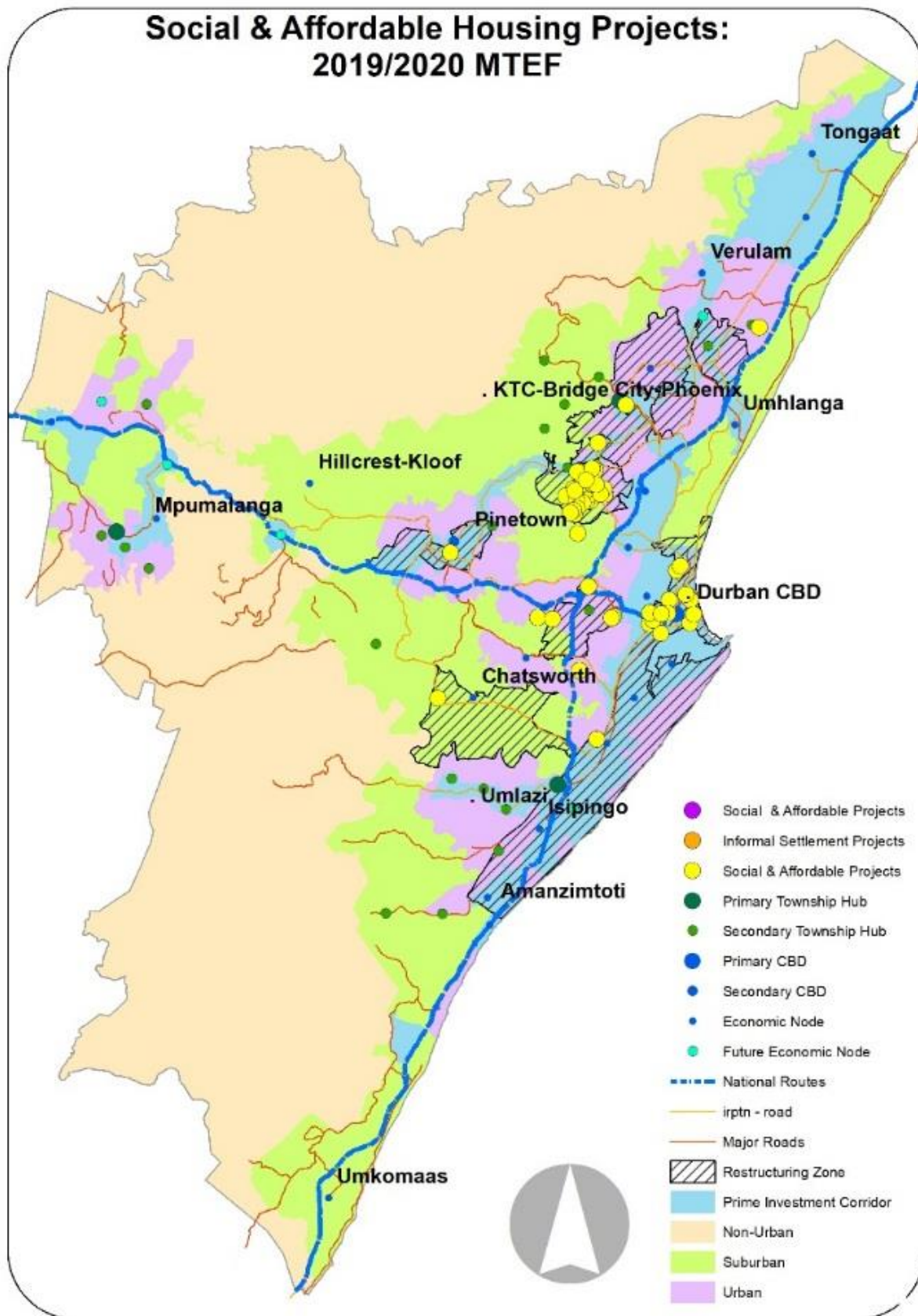


Fig 41 Social and Affordable Housing Projects

4.2.4 PRIORITISED LAND ACQUISITION 2020 – 2023

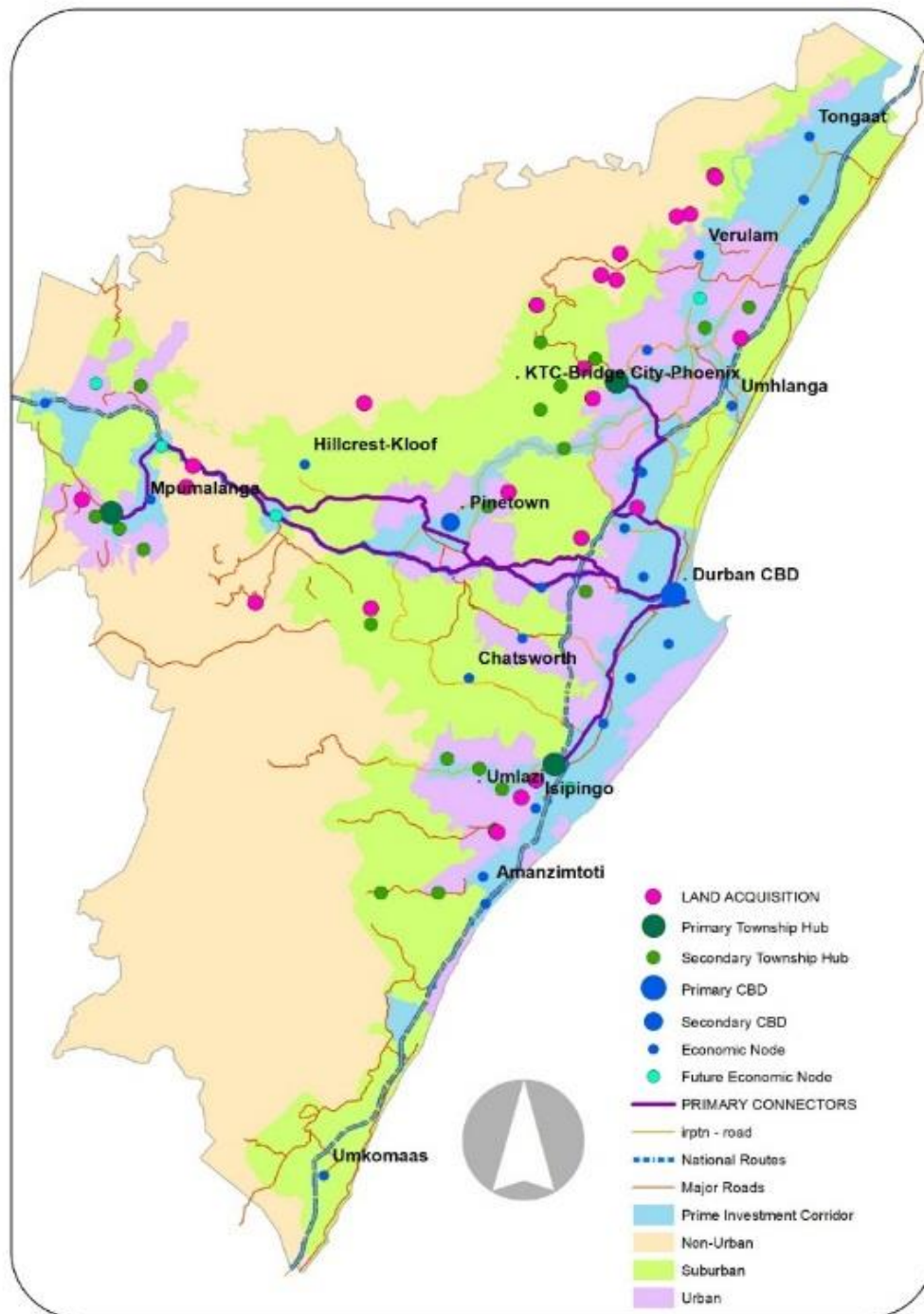


Fig 42 Priority Land Acquisition

The majority of the sites targeted for acquisition in 2019/20 have been either acquired or expropriated. In February 2020 Tongaat Hulett Development (THD) – a large landholder in the northern part of eThekweni and the partner in the Cornubia development - has submitted a list of properties to eThekweni Municipality for possible acquisition for residential development as indicated in Figure 42 above. They are concentrated in the northern region of the city. The collective list covers approximately 1900 gross hectares and, according to THD, could generate about 54,000 units. The proposal is structured for acquisition over 3 financial years from 2020. Given the recent submission of

this proposal the city is currently undertaking its own due diligence assessment. The majority of these parcels of land lie within the PHDA.

Lastly, Dube Trade Port have acquired land in Illovo, near Amanzimtoti in the southern region of eThekweni for the development of a 1300ha auto supply park (ASP). Included in the framework plan for the overall development is an allocation of land for approximately 5,400 residential units (BNG, Social Housing and Affordable & Gap) on about 98 (gross) hectares in 5 phases over 20 years. Engagements with Human Settlements Unit is ongoing.

4.2.5 INFORMAL SETTLEMENTS

About a quarter of eThekweni's total population of approximately 3.7 million reside in urban and peri-urban informal settlements as indicated in Figure 43, most of which are located on land which is both difficult and costly to develop due to such constraints as steep slopes, unstable soils and high land costs.

Informal densification and extension of existing informal settlements is ongoing. This is largely as a result of urban migration and natural growth of households. The latter resulting in the formation of smaller household sizes which invariably contributes to the overall backlog.

- Over 580 urban informal settlements comprising 287,000 households still to be addressed;
- Many of the settlements are micro-settlements of 100 households or less;
- Comprising over a quarter of the City's population;
- Continued urbanization and a dwindling supply of well-located land;
- Over 60 years to overcome just the informal settlement backlog; and
- Prioritise identification of a programme to address a range of basic health and safety issues and deliver rapidly to as many settlements as possible instead of providing high level of services including top structures to only a select few.

Distribution of Informal Settlements

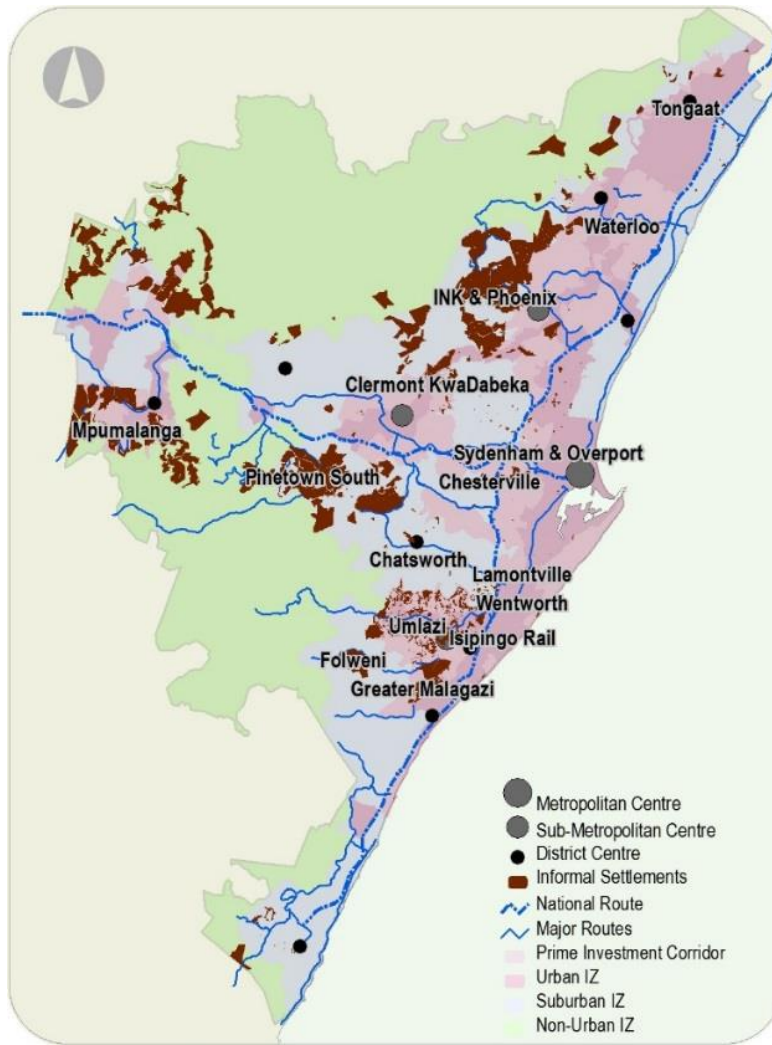


Fig 43 Informal Settlements

4.2.5.1 HOUSING PLAN: INFORMAL SETTLEMENT STATUS

For reporting purposes, the official informal backlog figure, viz. 237 000 h/hs as per table 21 below takes into account completed units within approved upgrade projects currently underway.

	No. of Inf Setts	(No. of h/holds)
• Upgrade in Progress (including planning)	70	38,000
• Proposed upgrades/incremental services	425	189,000
• Relocations/Emergency services	40	8,000
• Under Investigation	18	2,000
TOTAL	553	237,000

Table 21 Informal Settlements backlogs

Program	2020-2021	2021-2022	2022-2023	MTEF Tot
Universal Access to Basic Services – Roads, Footpaths and Stormwater Controls to Informal Settlements	57	64	70	191
Topstructures	672	752	790	2,214
Infrastructure	482	357	372	1211
Hostel	71	46	87	204
TOTAL				3,292

Table 22 Social and Affordable Housing Projects

4.2.5.2 A NEW APPROACH TO INFORMAL SETTLEMENTS

There has been an acceptance that conventional approaches to upgrading, premised on BNG-type housing delivery and formalisation, are inadequate in addressing the informal settlement challenge in South Africa. There is general acceptance that the new approach to upgrading needs to be inclusive of all informal settlements, incremental, participative and partnership-orientated. This is consistent with both National Policy as well as international practice.

The new approach to upgrading needs to foster a different and more functional relationship between the state and the urban poor which is not premised solely on state service delivery but which also leverages the partnerships necessary for more effective social capital formation, collaboration and 'self-help'. State investments (e.g. in basic services) need to 'leverage' this kind of shift. There also needs to be a focus on more than just basic services, functional tenure and incremental housing improvements. Key social services (e.g. ECD, schools, clinics etc.) are also important as is more effective access to public transport and economic opportunities. Upgrading needs to be seen as a sustained process of urban change over time rather than a once-off project-type intervention. It needs to be programmatic and area-based in orientation rather than just focused on delivering single/separate 'projects'. In general, the state needs to focus its efforts and finite resources mainly on enabling public realm investments (rather than the provision of free housing).

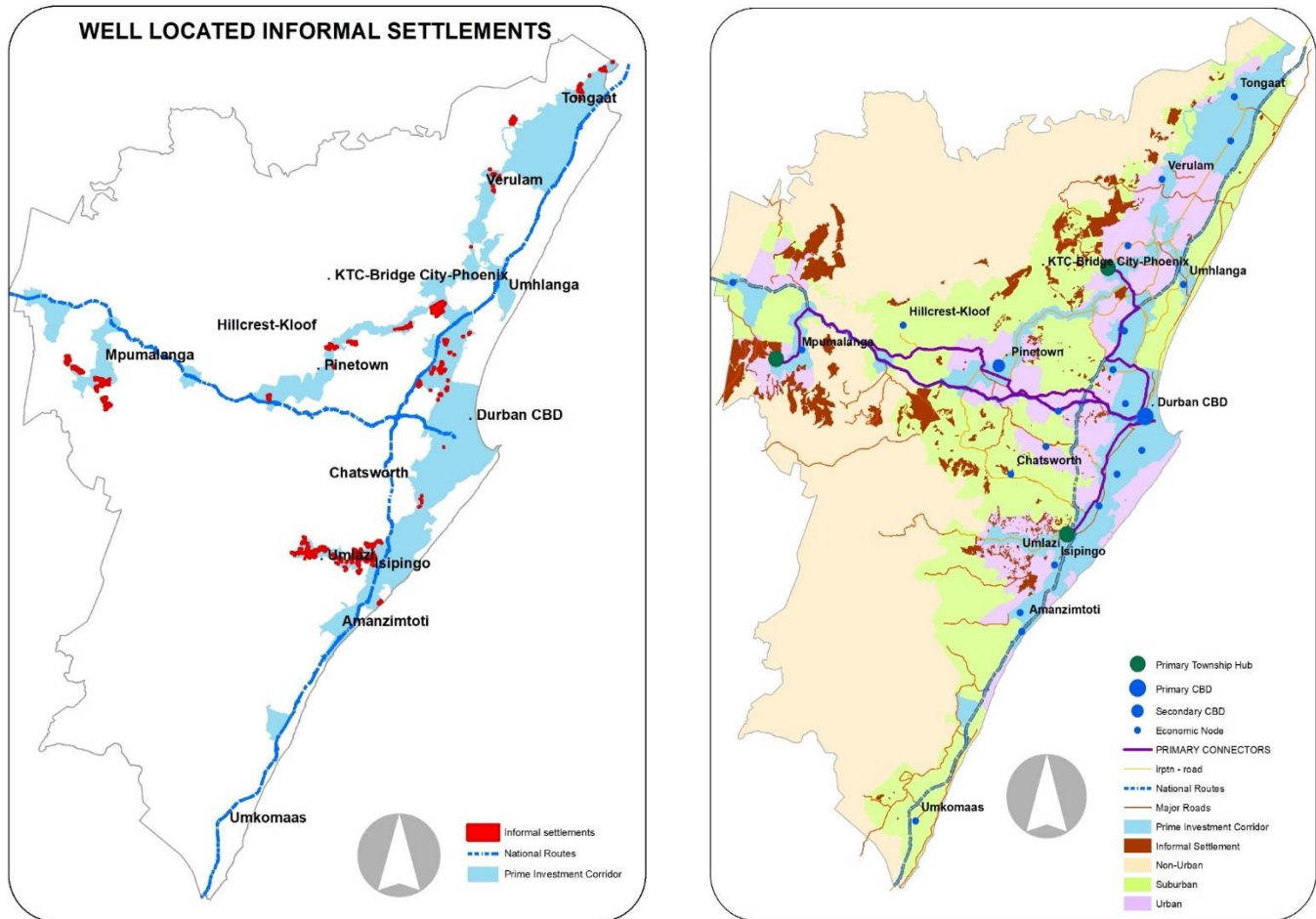


Fig 44 Well located informal Settlements and Municipal Response

In an attempt to work in a more integrated way, an internal collaborative forum comprising Heads of Infrastructure and/or identified champions from within their Units has been established to ensure that this program becomes a key focus area of incremental service delivery within informal settlements. The Incremental Services Technical Forum for instance brings together key internal stakeholders to discuss the projects and initiatives they are implementing and planning for in informal settlements, budgetary considerations, propose innovative solutions, overcome obstacles, as well as to create opportunities for aligning initiatives so as to have a more holistic affect and avoid duplication of efforts.

Current Initiatives towards the new approach to informal settlement upgrading

The Municipality is currently undertaking proactive steps to not only better understand the complexities that face informal settlements, but also to address this challenge via a number of initiatives that include various stakeholders as partners and as well as test the conventional models of housing delivery. Some of these initiatives have already been reported to Council and include but not limited to the following:

- National Department of Human Settlement's (NDHS) National Upgrading Support Programme (NUSP): Participatory Planning, Sustainable Livelihoods and Facilitation Support to Informal Settlement Upgrading Projects
- National Treasury's City Support Programme (CSP): Technical Support for the Innovative Upscaling and Upgrading of Informal Settlements

- c) Infrastructure Improvements for Early Childhood Development (ECD) Centres in Informal Settlements. The City as a MOA with Project Preparation Trust to assist with the implementation of the ECD centres.
- d) Grassroots Approaches Towards Self-Reliance in South Africa: the Isulabantu Project (Informal Settlements Upgrading Led by the Community)
- e) iQhaza Lethu - European Union (EU) funded Informal Settlement Incremental Upgrading and Integration Partnership Programme in collaboration with the Area Based Management (ABM) Unit. The City has a MOA in place for the implementation of the project.
- f) Resilient City Strategy: Resilience Building Option 1: Collaborative Informal Settlement Action
- g) Private Sector Social Responsibility: Blackburn Village Social Sustainability and Innovation Program (SSIP)
- h) African Forum on Urban Safety (AFUS)
- i) Memorandum of Agreement (MOA) entered into between City and member organizations of the South African Shack Dwellers International (SASDI) Alliance.
- j) The City is also working with Open Cities Lab (through the UK Prosperity Fund) on a data management initiative for the city.
- k) With specific reference to interactions with PRASA relating to the location of informal settlements in rail reserves, the following initiatives are in place. This is a matter of concern for both rail users as well as residents in the informal settlements. Some of the initiatives include:
 - a. An in-situ site visit with the political leadership of some of the sites that are affected. The largest concentrations were in the Umlazi Area with smaller levels being experienced in KwaMashu and Kenville areas
 - b. A dedicated session between the Human Settlements Officials and PRASA executives highlight the nature and extent of the challenge, where two stations in particular namely Umlazi Station and Thembalihle Station, were addressed directly with the Human Settlement Officials. The Umlazi station encroachment is of particular concern as there is an additional potential threat of shifting ground conditions. Both these stations are located with Human Settlement Catalytic projects namely Umlazi Regeneration and Bridge City.
 - c. The challenge has also been raised at the C2 Rail Working Group where both Human Settlements and Transport Authority are present.
 - d. The matter has also been tabled at the City's Customer Relations Management of Operations Steering Committee.
 - e. The Thembalihle station is adjacent to Kwamashu A section where informal settlements are intertwined with hostels and older formal government stock. PRASA has been advised that while the city and human settlements unit will play a role in facilitating upgrading and / or relocation, the onus is also upon them to address and assist through the provision of resources, including land.
 - f. In the case of Umlazi station the city has identified parcels of land in and around the area. Note that relocations to alternative parcels of land tends to trigger resistance especially in a different ward. The constant difficulty in Umlazi is that there is very little vacant and (relatively flat) parcels of land of significant size. Currently the Umlazi Part 6 programme is assessing land parcels to deliver roughly 12000 units in order to make SPLUMA applications

within the next 12-18 months. Ideally these sites will address encroaching informal settlements on PRASA assets and infrastructure.

- g. The City has a good relationship with regional representatives of prasa. There is engagement between ETA and PRASA on technical and strategic planning levels. In the case of informal settlements encroaching on PRASA land we have advised them of our processes regarding upgrading and relocations and the city's prioritisation model.

4.2.5.3 CITIZEN-LED PLANNING FOR INFORMAL SETTLEMENT UPGRADING

While the state has a mandate to deliver services and housing opportunities, communities and individual families also have a role in improving their own living conditions. Involving citizens in informal settlement upgrading contributes to the development of social cohesion, empowers communities and individuals, makes space for creative solutions, utilizes local knowledge and makes upgrading initiatives more sustainable through building ownership of the environment and amenities.

4.2.5.4 CURRENT THINKING

The Municipality is undertaking proactive steps to not only better understand the complexities that face informal settlements, but also to address this challenge via a number of initiatives that include the poor as partners and as well as test the conventional models of housing delivery. These include but not limited to the following:

- Meaningful and effective community mobilisation, involvement and upliftment. Building 'social capital', 'self-help' and resilience, sustainable livelihoods processes etc. – thereby decreasing dependency and vulnerability;
- Capacity for innovative and effective Participatory Planning and Development;
- Effective demand management - understanding that not all informal households require the same product and tenure option;
- Promoting and facilitating innovative and incremental infrastructure and top structure designs and development;
- Providing building support and home owner education;
- Achieving transversal institutional coordination and management within and outside of the metro;
- Investigating and designing models for incremental and self-build development – pay attention to high density housing;
- Facilitating co-production in the development process – explore alignment of government investment, community savings and sweat equity, private sector social responsibility. (e.g. Blackburn Village JV with Tongaat Hulett Developments); and
- Exploring local economic development initiatives and early childhood development centres.

4.2.5.5 CURRENT INITIATIVES

NUSP: PARTICIPATORY PLANNING, SUSTAINABLE LIVELIHOODS AND FACILITATION SUPPORT TO INFORMAL SETTLEMENT UPGRADING PROJECTS

The Human Settlements Unit has been engaged with the National Department of Human Settlement's (NDHS) National Upgrading Support Programme (NUSP) for the provision of Participatory Based Planning and Facilitation support in the eThekweni Municipality. This programme is part of a national initiative to provide local municipalities with technical support. A summary of the preliminary settlement categories and the demand per typology is outlined in Table 23 below.

PRELIMINARY CATEGORISATION (as per National Upgrading Support Programme (NUSP) Guidelines)	NO. OF SETTLEMENTS	EST. NO. STRUCTURES
A (Full conventional upgrade i.e. housing project)	63	27,500
B1 (Incremental upgrade with essential services)	342	220,000
B2 (Deferred relocation with emergency services)	118	30,500
C (Imminent relocation)	27	7,000
Under investigation	31	2,000
	581	287,000

Table 23 Outcomes of iQhaza Lethu Initiative

Ten settlements have been selected as pilots for the EU funded iQhaza Lethu as indicated above in Table 23 initiative whereby collaborative informal settlement upgrading initiatives:

- Quarry Road;
- Parkington / Thandanani;
- Emaphaleni;
- Progress Place;
- Ntuzuma C;
- Palmiet;
- Uganda;
- Dakota Beach;
- Havelock Road; and
- Bhambayi

Most of the settlements are located within the PIC. During the course of 2019 Havelock Road and Bhambayi were added

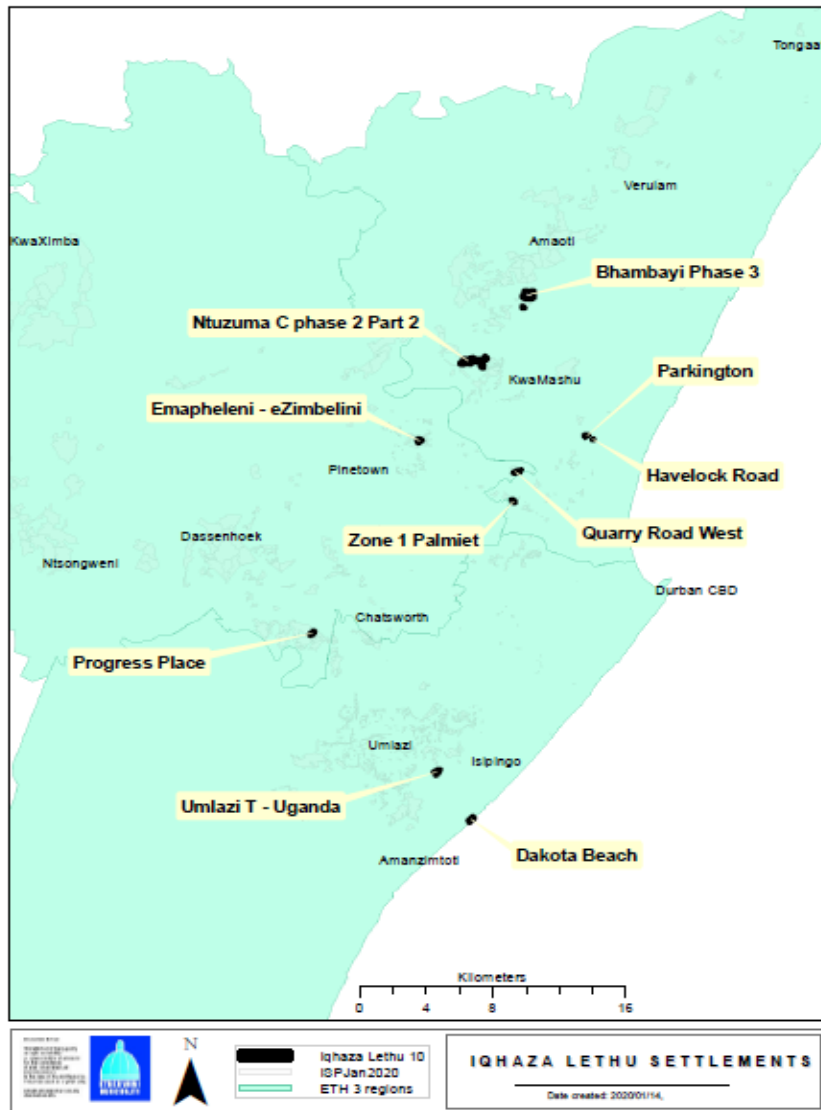


Fig 45 Location of Iqhaza Lethu Study

RESILIENT CITY STRATEGY: RESILIENCE BUILDING OPTION (RBO) 1: COLLABORATIVE INFORMAL SETTLEMENT ACTION

Having initially being part of the 100 Resilient Cities initiative, funded by the Rockefeller Foundation, eThekwini has now focussed on developing its RBO initiative which has identified participatory, differentiated and incremental informal settlement upgrading as a core focus for increasing resilience. 8 inter-related outcomes have been developed to achieve this objective.

- eThekwini has a committed team of champions that are supported by co-ordinating institutional structures;
- Consolidated quantitative and qualitative community and municipal-collected data on all informal settlements is accessible to all and updated regularly;
- eThekwini municipality facilitates the establishment of proactive, innovative and municipal-wide partnerships to develop and execute collaborative, climate-smart and sustainable informal settlement upgrading;
- Human and financial resources are secured;

- Enabling and integrated administrative systems and simplified regulatory procedures that facilitate the accelerated implementation of municipal-wide, collaborative informal settlement upgrading and partnerships;
- Collaborative monitoring and evaluation are institutionalised;
- Pro-active management of use of land; and
- Improved social, economic and environmental well-being in all informal settlements in eThekweni.

The City's Resilience Strategy team has secured Council approval for the initiative and is working closely with key departments in realising the outcomes identified above.

NATIONAL TREASURY'S CITY SUPPORT PROGRAMME (CSP): TECHNICAL SUPPORT FOR THE INNOVATIVE UPSCALING AND UPGRADING OF INFORMAL SETTLEMENTS

The CSP in partnership the NUSP and through technical support by the World Bank seeks to support and strengthen the service delivery and management capacity and systems of South African cities. Incremental upgrading of informal settlements forms a significant element of the human settlement's components of this initiative. The CSP aims to assist Cities to develop and scale-up efforts to upgrade informal settlements in close consultation and partnership with local communities. A framework was developed by the CSP which identified four work streams which included the development of enhanced Programme Management Toolkits and related Programme Support to selected Metros for scaling up incremental upgrading. This work stream commenced in 2017 on the back of a Scoping Study prepared in June 2016. Engagements with eThekweni have already been initiated.

GRASSROOTS APPROACHES TOWARDS SELF-RELIANCE IN SOUTH AFRICA: THE ISULABANTU PROJECT (INFORMAL SETTLEMENTS UPGRADING LED BY THE COMMUNITY)

This is in a multidisciplinary partnership with the University of KwaZulu-Natal in Durban the University College London, uTshani Fund (SDI Alliance) and eThekweni municipality. This project focuses on communities in informal settlements that could be involved in improving their homes and neighbourhoods. The tools and processes needed to ensure a successful upgrade of environmental and construction management are poorly understood, and top-down policies used by central and local government in SA have not been successful to date. If communities can improve their neighbourhoods through "development from within", improving construction skills and using available materials, then there could be local, regional and national environmental, social and economic benefits. This research project seeks to explore the underpinning barriers and enabling drivers for communities to upgrade their informal settlements in SA. The central question for this research is: how can participatory approaches be utilised in an environmental and construction management strategy to achieve self-reliance in informal settlements in Durban, SA.

INFRASTRUCTURE IMPROVEMENTS FOR EARLY CHILDHOOD DEVELOPMENT (ECD) CENTRES IN INFORMAL SETTLEMENTS

This initiative in partnership with an NGO seeks to improving access to adequate ECD services for large numbers of vulnerable children within informal settlements in eThekweni. ECD is a national priority, forming part of both National and Provincial strategies aimed at 'massification' of ECD services. These strategies include more effectively supporting large numbers of de-facto, under-resourced ECD centres within low-income communities such as informal settlements.

The initiative directly supports the City's IDP objectives aimed at social upliftment including those of the Informal Settlements Upgrade Programme (ISUP) and Incremental Services Programme (ISP) such as the improvement of social facilities and essential services. It forms part of broader Human Settlement responses such as those embedded in the Outcome 8 Delivery Agreements which aim to rapidly provide informal settlements with

incremental services and thus eradicate backlogs of essential services through incremental services provision as well as full upgrading and low-income housing. Council approval has been secured to augment this initiative over a three-year period with 14 selected ECD centres as pilot sites at Amaoti and Umlazi having been identified for ECD infrastructure improvements and survey for phase 1. Amaoti and Umlazi are two of the five Housing Catalytic Projects approved by NDHS. The target over the three-year period is to survey the bulk of the informal settlements in the Municipality covering a total population of approximately 75,000 households with an estimated number of approximately 480 ECD centres. The available ICDG funding will be sufficient to fund infrastructure improvements at 40 to 50 selected centres (based on costs from the pilot phase).

Currently the unit is implementing green building techniques by bringing together an array of principles, techniques and skills to reduce and ultimately eliminate the impacts of buildings on the environment and human health. This incorporates using renewable resources, passive design techniques, and alternative technology. This also includes construction techniques and materials that can be dismantled rather than be demolished so that relocation of either the informal settlement and the EDC structure can be reassembled as much as possible.

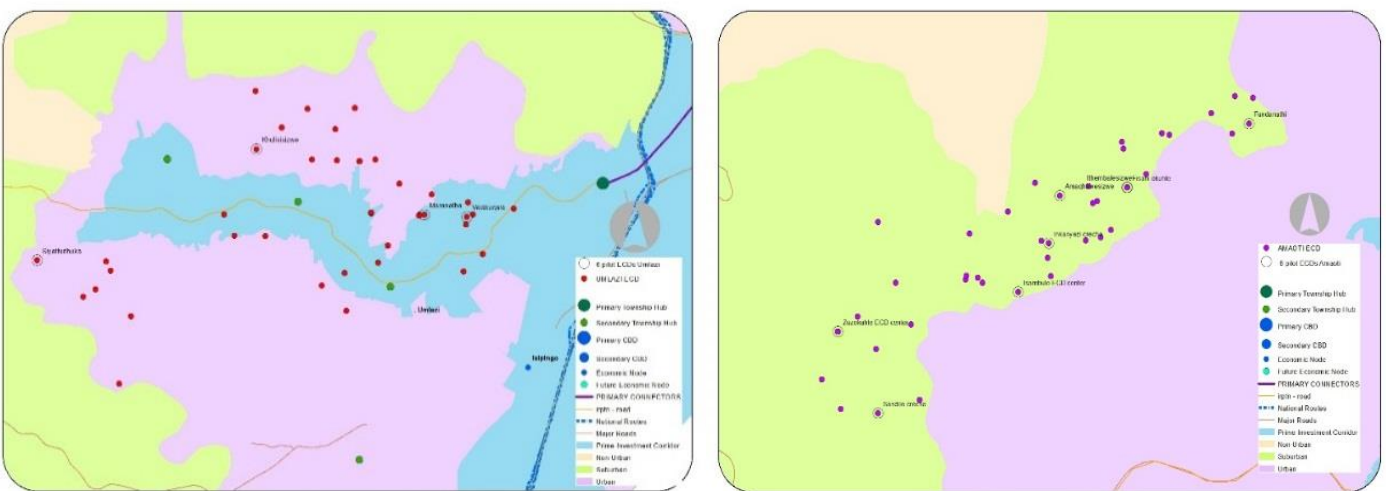


Fig 46 Examples of Mapped ECD Facilities

AMAOTI

The eight pilot sites identified by stakeholders have been technically assessed by PPT and submitted to the eThekweni Council for funding approval. PPT is currently negotiating with the Municipality to ensure that the current ECD centre sites will, as far as possible, be accommodated within the new town planning layouts proposed as part of the Catalytic programme.

UMLAZI

Similarly, six creches have been identified as part of the pilot stage.

INFORMAL SETTLEMENT INCREMENTAL UPGRADING AND INTEGRATION PARTNERSHIP PROGRAMME (VIA AREA BASED MANAGEMENT (ABM))

The Human Settlements and Area-Based Management Units have partnered with a local NGO, to secure funding application from the European Union to the tune of R17m over three years. A number of pilot initiatives will test and refine a model of working in partnership with communities and organisations, and improving alignment between stakeholders (including municipal and provincial departments) by utilising and expanding precinct-based communication, planning and implementation of initiatives in informal settlements.

There is a recognition that more effective, area-based urban management and multi-sectoral co-ordination is necessary which require special capacity and systems. Previously the ISP fell under the City's Human Settlements

and Engineering Units. The City's Area Based Management (ABM) unit will now assist with coordination at both the programme and precinct levels. The objectives will be to:

- Strengthen centralised, upgrading programme management capacity and systems to co-ordinate and implement the city-wide programme;
- Establish and mobilise area-based upgrading implementation capacity and public space management systems;
- Mobilise underutilised/dormant capacity and develop new capacity within government, civil society, communities and NGOs;

With regard to the implementation of Pilots, the proposal is to incorporate:

- Community engagement, participative planning and capacitation for 4-8 settlements (10-20,000hh); and
- Incremental upgrading implementation for 4-8 settlements (5-20,000hh).

Through pilots, the aim will be to establish replicable co-governance systems, structures and methodologies for rollout.

4.2.5.6. AFRICAN FORUM ON URBAN SAFETY (AFUS) – A KEY ROLE IN UPGRADING INITIATIVES

The African Forum on Urban Safety (AFUS) derived its mandate from the establishment of Global Network on Safer Cities (GNSC) by UN HABITAT at the 6th session of World Urban Forum in Naples, Italy in September 2012. In 2014 the Mayor of eThekweni was appointed Chair and permanent secretariat of AFUS. The AFUS network aims to strengthen crime prevention and reduction policies at a local level and promote the role of local authorities at a National level and in Africa on safety and security. This has culminated in the development of the AFUS strategy and business plan with objectives and milestones with a view to enhance the capacity of local governments in Africa to be better equipped to deliver urban safety for all citizens particularly the vulnerable. This initiative has also been instrumental in setting the scene for actions which support the implementation of the Sustainable Development Goals, African Vision 2063 and contribute to the Habitat 3 process. One of the outcomes of AFUS initiative is the implementation of a Safety Audit and a City Safety Lab.

Safety has become a key determinant of the quality of life of urban dwellers with crime often being concentrated in poorer, underdeveloped urban areas such as informal settlements. Safety and security are an essential premise for any sustainable urban development just as planning, basic infrastructure, housing, transportation, sanitation, employment and good governance. It is no surprise that improving safety in informal settlements is a key outcome of upgrading policies.

The provision of infrastructure and services has a significant impact on the experiences and perceptions of safety of informal dwellers apart from improving their quality of life. The installation of electricity vastly improves surveillance within the settlement, and similarly the provision of sanitation facilities offers a better alternative to residents who felt very unsafe and vulnerable using surrounding bushes to relieve themselves. Access roads and footpaths greatly improve mobility of residents to get help and also improves the response time for emergency vehicles and personnel to reach them. Improvements to Early Childhood Development (ECD) centres now provides safer places for children to learn and play.

So, while the physical upgrading of informal settlements is often used as a tool to improve the quality of life of residents, AFUS supported interventions aim to make safety and security a key priority of upgrading interventions. Safety therefore requires the close collaboration of all those involved in urban planning and design, in policing, in municipal service delivery, in social development and in community empowerment. The Incremental Services to Informal Settlements Programme (as one of the activities of the Resilient City Strategy's Collaborative Informal Settlement Action plan) has thus been a focal point for the AFUS initiative.

4.2.6 INCREMENTAL SERVICES TO INFORMAL SETTLEMENTS

4.2.6.1 PROGRAM FEATURES

The Program aims to promote social equity and social inclusion by providing every household in Informal Settlements with access to basic engineering services, basic social facilities, and local economic opportunities, as soon as possible. The project selection criterion is Informal Settlements that are earmarked for upgrade in the longer term. There are five sub-programs, namely:

- Community Ablution Blocks;
- Roads, Footpaths, and Stormwater Control;
- Electricity - Ablution Blocks, Streetlights, Individual Connections;
- Access to social facilities, particularly fire and police stations, clinics, schools, & sports-fields; and
- Sustainable livelihoods.

4.2.6.2 LOCATIONAL CRITERIA

Most of the planned projects are in the Suburban Area due to this being where the bulk of informal settlements are currently located.

4.2.6.3 PROGRAM SCALE

This program will benefit 70,000 households.

4.2.6.4 PROGRAM ORIGIN AND DURATION

This program has its beginnings in the provision of water stand-pipes to informal settlements in the early 1990's. This was superseded by the provision of communal ablution blocks and refuse collection initiatives in the mid and late 1990's. It was first expressed as a deliberate program in the previous edition of the Housing Sector Plan. The program is likely to run for about a decade, though the intention is for it to be complete in two MTEF's as it is a high priority.

4.2.6.5 BUDGET REQUIREMENTS AND FUNDING SOURCES

Assuming a current-price benchmark of R 25,000 investment for each household, then the program will require approximately R 1.75 Bn. R270 Mill appears in the Capital Budget for the current MTEF. At this rate it will take six MTEF's (eighteen years) to deliver the program, which is contrary to its intention to complete the program in two MTEF's. Current funding sources include:

- USDG and UISP; and
- Other spheres for some of the social infrastructure, particularly schools and clinics.

The Communal Ablution Blocks Sub-Program is reasonably well-resourced. About R 1 Bn has been invested over the past three years. The other sub-Programs all require to be significantly upscaled to meet target.

4.2.6.6 CAPACITY OR SYSTEMIC REQUIREMENTS

Each of the sub-programs are separately managed and staffed.

DEPARTMENT	RESPONSIBILITY & AUTHORITY
Collective	Project Selection & Prioritisation, Funding, Monitoring
Water Services	Community Ablution Blocks
Development Engineering	Community Access
Durban Electricity	Communal and Individual Electricity
Social Cluster	Social Facilities
Economic Development	Sustainable Livelihoods

Table 24 Roles and Responsibilities of Line Departments

The Collective as indicated in Table 24 needs to be put in place, and project preparation and implementation capacities need to be up-scaled for several of the sub-Programs.

Table 25 below shows the final allocation for the 2020 MTEF for both the USDG and ISUPG. The purpose of this is to enable to plan accordingly through BEPP.

GRANT	2020/21	2021/22	2022/23
	R'000		
USDG	1 962 647	1 288 158	1 279 036
iSUPG	-	689 369	727 265

Table 25 Grant Budget Allocations as per MTREF 2020/21

The USDG Allocation for 2020/21

Normal Project Allocation	R1 570 118 000
Ringfenced funding for UISP	R 392 529 000
TOTAL	R1 962 647 000

Table 26 USDG Budget Allocations as per MTREF 2020/21

The above Table 26 indicates ringfenced funds for the UISP component can only be used for projects contained in the approved informal settlements upgrading plan that is part of the BEPP. This is inextricably linked to an informal settlement upgrading prioritisation plan.

4.2.7 IN SITU UPGRADES AND GREENFIELDS

4.2.7.1 PROGRAM FEATURES

The city has two significant inter-linked Programs, In Situ Upgrades, and Greenfields Projects. The long-term aim is to upgrade all of the Informal Settlements that are technically viable for upgrade, and that aren't earmarked for Relocation. The Greenfields Program is necessary, to absorb relocations from Upgrades projects. Typical deliverables of an Upgrade or Greenfields project include cadastral subdivisions, surfaced roads, water, sewer and electricity connections, and a 40m² dwelling structure. Sites are typically created for social facilities, especially parks, schools and clinics, for uptake by the respective public entities.

4.2.7.2 LOCATIONAL CRITERIA

Most of the planned projects are in the Suburban Area. The spatial targets for each of the Incremental HS programs have been derived from the Housing Spatial Prioritisation Model.

4.2.7.3 PROGRAM SCALE

This program will ultimately benefit 250,000 households.

4.2.7.4 PROGRAM ORIGIN AND DURATION

The contemporary programs originated from deliberations by the National Housing Forum in the early 1990's. The program is multi-generational, because planning and delivery are slow (typically taking a dozen years from project inception to house construction), and on the other hand, the available capital funds cap potential delivery. At the current pace of delivery, and factoring in the current rate of growth in households in eThekweni, the program will run for several generations.

4.2.7.4 BUDGET REQUIREMENTS AND FUNDING SOURCES

Assuming a current-price benchmark of R 230,000 investment for each unit in infrastructure and top-structure costs, and a delivery target of 20,000 over the next two MTEF's, then the program will require approximately R 4.6 Bn. Of this R 3.6 Bn appears in the Capital Budget for the current MTEF. Current funding sources include:

- USDG;
- HSDG; and/or
- Other spheres for some of the social infrastructure, particularly schools and clinics.

4.2.7.5 CAPACITY OR SYSTEMIC REQUIREMENTS

In order to execute the directive to no longer plan freestanding houses but instead, in the Suburban Area to plan pedestrianised duplexes, and in the Prime Corridor and Urban Area, multi-storey walk-ups, the Human Settlement Unit requires to increase or reorganise its internal capacity to conceptualise and design. The Unit appears to have sufficient capacity to administer top-structure construction contracts, and to oversee the infrastructure contracts that the service department, Development Engineering, delivers. The Human Settlement Unit also needs to supplement its capacity to finalise Infrastructure Handover to Line Department and Township Establishment. Additional capacity requirements that need to be put in place is a liaison structure with especially Departments of Education and Health to encourage their investments into those facilities. It has not however been resolved whether this liaison function resides with the Housing Unit or with the Municipality's Social Cluster, and resolution on this point is intended during the 2017/18 year. This inter-governmental issue is also being attended to by the Strategy Office in conjunction with National Treasury.

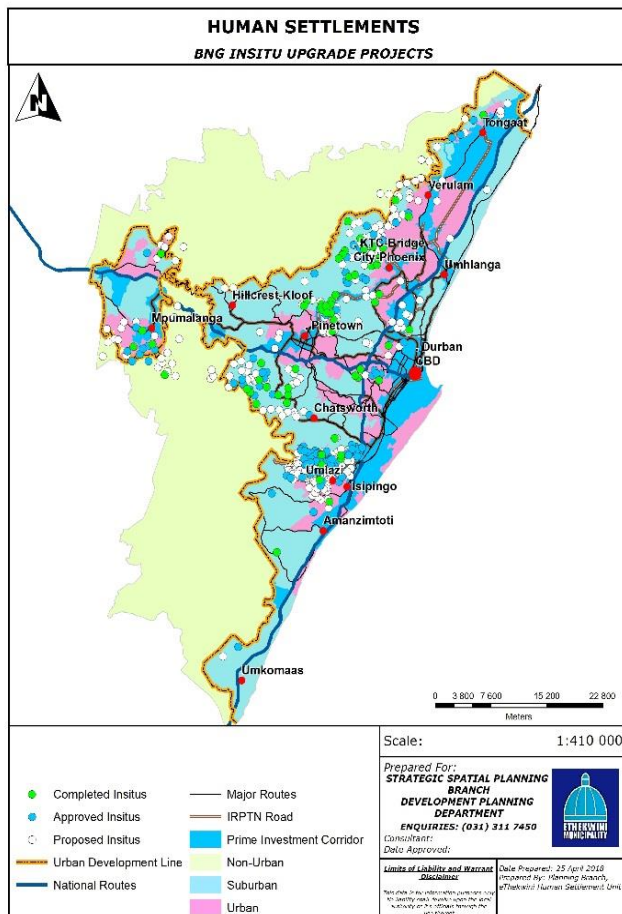


Fig 47 BNG Insitu Upgrade Projects

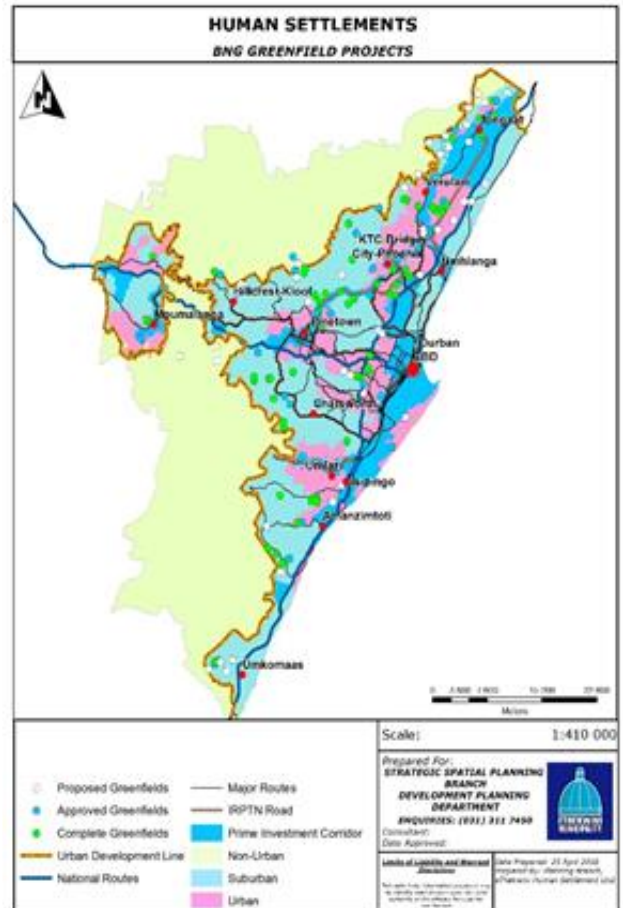


Fig 48 BNG Greenfields Projects

ANALYSIS OF PROPOSED GREENFIELD AND UPGRADE PROJECTS IN THE MODEL IN RELATION TO THE INTEGRATION ZONE (PIC).

The tables below reflect the ranking (high, medium and low) of the proposed greenfield, Figure 47 and upgrade projects, Figure 48 determined by the Housing Spatial Prioritisation Model against the Integration Zone. There are not enough projects directly within the Integration Zone (PIC) but this is because most informal settlements are not located in the Integration Zone and land here is scarce and expensive. The Public Transport Network does however create better linkages between the informal settlements and the areas of employment. This would assist the residents in informal settlement to access places of employment at a lower cost. The majority of high-ranking projects are in the well-located parts of Urban and Suburban areas. Using a combination of the Model and the targeted areas (especially the Prime Corridor), the Municipality will begin prioritizing its new projects in line with spatial targeting to ensure there is clear alignment with its BEPP objectives. It is expected that this will take, at

minimum, 3 years as historical projects currently dominate the MTEF allocations although in the outer year of the MTEF projects are located in more central areas close to and within the Integration Zone

4.2.8 HOUSING PROGRAMS: RESOURCING

Program	2020-2021	2021-2022	2022-2023	MTEF Tot
Universal Access to Basic Services – Roads, Footpaths and Stormwater Controls to Informal Settlements	57	64	70	191
Topstructures	672	752	790	2,214
Infrastructure	482	357	372	1211
Hostel	71	46	87	204
TOTAL				3,292

Table 27 Housing Programs and associated Budgets

4.2.8.1 MTEF EVALUATION

Figure 49 below outlines the 2020/21, 2021/22 and 2022/23 MTEF projects in relation to the Integration Zone.

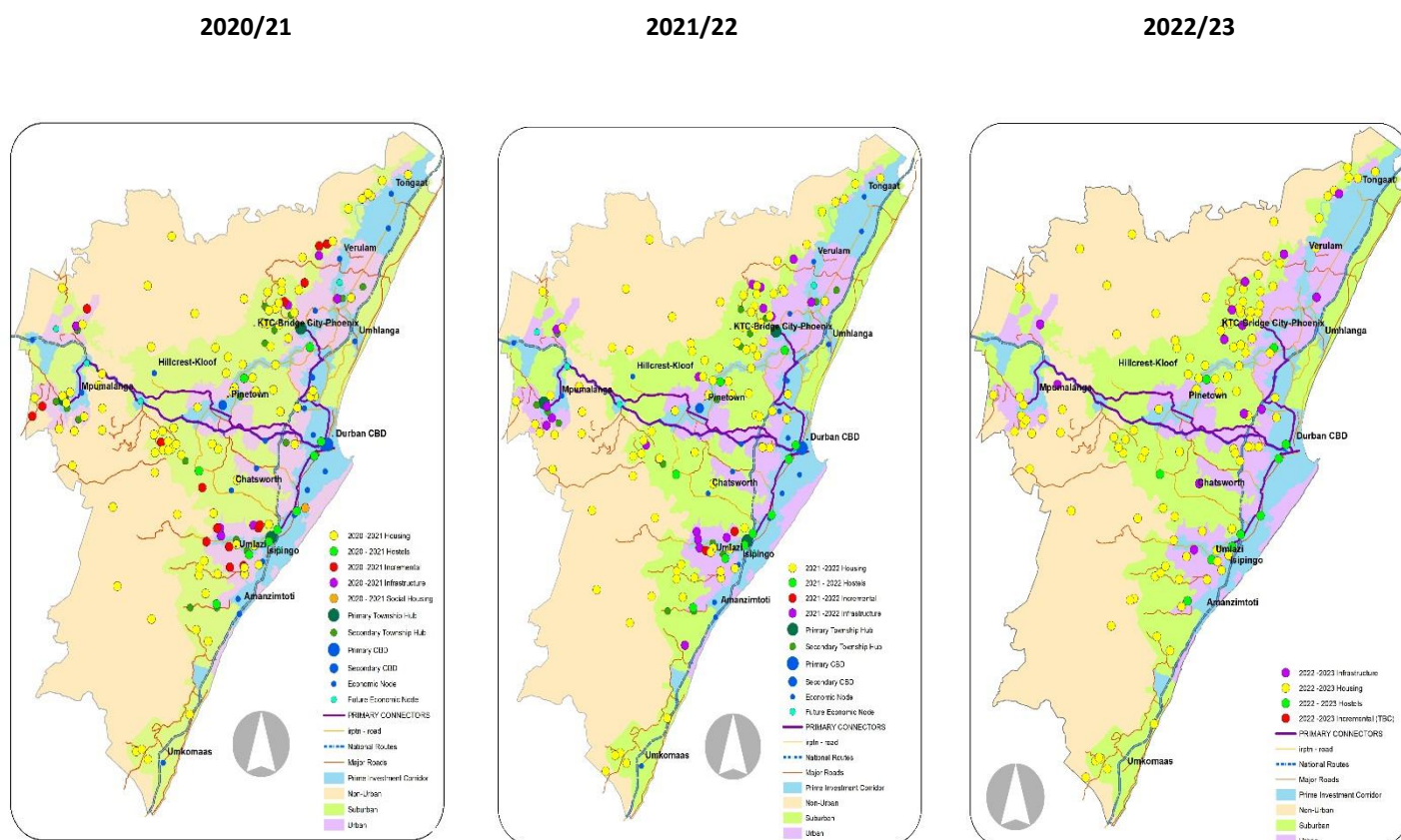


Fig 49 Projects in the Integration Zone over the 20/21 MTEF

4.2.8.2 SPATIAL ANALYSIS OF MTEF PROPOSALS

Table 26 below outline for each of the MTEF years, the location of the various human settlement interventions/projects in relation to the Integration Zone as well as the budgets allocated to them.

It should be noted that the MTEF reflects a number of projects (in particular the Housing Projects) which were implemented prior to the development of the Housing Spatial Prioritisation Model. As such existing contracts, commitments and expectations need to be appreciated. In addition, it is worth noting that the Municipality is implementing Rural projects especially in the context of its boundary comprising a substantial rural component - of over 60% by area. The Housing Program is undergoing a transformation with the application of the Housing Spatial Prioritisation Model and in alignment with the BEPP theory of change. However, this change cannot occur instantaneously.

In terms of the Incremental Services Program, there appears to be greater alignment with the Housing Spatial Prioritisation Model with the less well-located settlements being earmarked for this intervention

2020/21

INTEGRATION ZONE	TOP STRUCTURE				INFRASTRUCTURE SERVICES				HOSTELS				INCREMENTAL SERVICES				EARLY CHILDHOOD DEV (ECD)			
	NO. OF PROJECTS	%	BUDGET Rm	%	NO. OF PROJECTS	%	BUDGET Rm	%	NO. OF PROJECTS	%	BUDGET Rm	%	NO. OF PROJECTS	%	BUDGET Rm	%	NO. OF PROJECTS	%	BUDGET Rm	%
Prime	9	8	42	6	4	9	18	4	6	60	53	61	0	0	0	0	0		0	
Urban	23	21	133	20	15	33	220	48	3	30	24	28	9	56	22	38				
Suburban	55	51	329	51	23	51	189	40	1	10	10	11	4	25	29	50				
Non-Urban	21	20	147	23	3	7	35	8	0	0	0	0	3	19	7	12				
Other*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
TOTAL	108	100	651	100	45	100	462	100	10	100	87	100	16	100	58	100	0		0	

2021/22

INTEGRATION ZONE	TOP STRUCTURE				INFRASTRUCTURE SERVICES				HOSTELS				INCREMENTAL SERVICES				EARLY CHILDHOOD DEV (ECD)			
	NO. OF PROJECTS	%	BUDGET Rm	%	NO. OF PROJECTS	%	BUDGET Rm	%	NO. OF PROJECTS	%	BUDGET Rm	%	NO. OF PROJECTS	%	BUDGET Rm	%	NO. OF PROJECTS	%	BUDGET Rm	%
Prime	8	9	56	8	4	10	31	7	6	60	29	45	0	0	0	0	0		0	
Urban	17	18	142	20	14	35	173	39	3	30	25	39	2	100	6	100				
Suburban	47	51	368	51	19	47	207	46	1	10	10	16	0	0	0	0				
Non-Urban	20	22	154	21	3	8	37	8	0	0	0	0	0	0	0	0				
Other*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
TOTAL	92	100	720	100	40	100	448	100	10	100	64	100	2	100	6	100	0		0	

Other = Fire Damage, Northern Storm, Southern Storm, and Western Storm

Table 27 Human Settlements Interventions and associated budgets for 20/21 and 21/22

4.2.9 HOW IS THE STATUS QUO BEING CHANGED TOWARDS MORE EFFECTIVE SPATIAL TARGETING?

The development of project pipelines for each of the priority housing programs as identified in the Housing Sector Plan is being undertaken by prioritising pre-feasibilities against the Housing Spatial Prioritisation Model (outlined earlier) and the Prime Investment Corridor (PIC). In addition, projects identified for densification especially social and affordable housing, will be scored against a prioritisation matrix that will consider factors, amongst others such as:

- Location within a Restructuring Zone
- Location within Integration Zones
- Extent
- Land ownership
- Zoning
- Distance to Public Transport Nodes/Stations

The trajectory is to shift away from reactionary planning and identification of projects to one where there is complete alignment with the BEPP theory of change. While it is acknowledged that the current MTEF comprises many historical projects, which are perhaps not in the best of locations, the way forward aims to locate as many projects as possible within the PIC and/or the Urban Zone at the very least.

Apart from the 3-year social and affordable housing pipeline outlined earlier, the Human Settlements Unit has also proactively identified vacant land opportunities in the PIC. There is a greater emphasis in prioritizing human settlement opportunities within the PIC and this links to the collaborative efforts of human settlement planners, public transport planners and developmental and key infrastructure investment requirements.

More than 34 potential sites for social and affordable housing projects have been identified with an estimated yield of just over 3,000 units. While this represents a phased approach targeting state land at the outset, it is worth noting that there are limited vacant land opportunities of reasonable extent (viz. over 2,000 m²) within the PIC, particularly in the southern portion. Phase 2 will explore additional corridors including land in private ownership.

With regards to proposed informal settlement upgrades a total of 75 settlements comprising just over 56,000 households have been prioritised. While the vast majority of settlements in eThekweni are located in the Suburban zone, the intention is to focus on settlements in the PIC and thereafter the Urban zone as per results of the Housing Spatial Prioritisation Model. The bulk of informal settlements prioritized in the north and south human settlement regions for upgrading are located in the IPTN C1 and C2 corridors. Moreover, those prioritized settlements also fall within the approved housing catalytic project areas, notably, those in Umlazi and the KwaMashu Urban Hub.

By channelling social and affordable housing investment opportunities within the PIC and adjacent urban corridors will also generate greater thresholds for public transport and for commercial development.

The Map opposite reflects the projects viz. social and affordable as well as informal settlement upgrading that fall within the PIC and/or Urban Zone which is in close proximity to the IPTN. The pipelines outline the potential projects to be planned in the current MTEF period for implementation in the following MTEF.

4.2.10 MTSF TARGETS BY NDHS

Table 28 below describes progress made thus far. Level 2 services to informal settlements according the NDHS is the provision of services to individual households including tenure while Level 3 refers to everything in Level 2 together with top structures. The Municipality's Incremental Services project provides communal services in terms of sanitation while electricity is provided to individual households. This suite of services is complemented with roads,

footpaths and storm water controls. The section following the table below summarises the challenges the Municipality faces in meeting Level 2 expectations.

MTSF- CONTRIBUTION TOWARDS MTSF TARGETS: ETHEKWINI

MTSF TARGET 2019	National 5 Yr MTSF Target for Metro	Annual MTSF Target	2014/15 Actual	2015/16 Actual	2016/17 Actual	2017/18 Q3	2018/19 Target	
750 000 households in informal settlements upgraded to Phase 2 Individual Households	56,905							Total to date
Water	19200	4800	5516	3037	9559	10410	2952	28522
Sanitation	19200	4800	5516	1600	1987	1405	2952	10508
Electricity	19200	4800	16769	16385	13347	12000	25000	58501
Shared services (number of households benefiting)								
Water	45000	9000	19875	1225	15900	3375	10000	40375
Sanitation	50000	10000	19875	1225	15900	3375	15000	40375
Title Deeds:								
563 000 for new developments	-	-	-	-	-	-		
Pre-1994 housing stock	-	-	336	105	115		1053	556
Post-1994 housing stock	-	-	504	507	574	1018	15000	2603
10 000 of hectares of well-located land (excl rural)	-	-	140	112	313	22	150	335

Table 28 MTSF Targets

4.2.10.1 LEVEL 2 UPGRADING CHALLENGES

- High densities prevalent in informal settlements;
- The need to de-densify the settlements, but also the requirement to relocate households to alternative and suitable greenfield land;
- In the context of achieving the densification objective in the Integration Zone, de-densification and providing individual households with an individual erf/stand goes against the achievement of this objective;
- This will be further compounded by the need to acquire land whereas the incremental services programme does not warrant the acquisition of land at this stage;
- The steep topography as well as the need to acquire land from private owners are further constraints to undertaking Level 2; and
- The policy of eThekweni Water & Sanitation is to provide individual connections to stands/units only when these are officially registered via a General Plan.

4.2.11 BUDGET OPTIMISATION FOR HUMAN SETTLEMENTS

From the above chapters on human settlements it is clear that there are a number of human settlement programmes with well-developed project pipelines. These programmes often compete for the same funding sources. Funding is limited and insufficient to match national delivery targets. There is a drive to spatially transform eThekweni which requires prioritising certain programmes over others and prioritising well-located projects within those programmes. To achieve an optimal mix of programmes and projects within the available budget envelope requires an optimisation exercise to be undertaken.

4.2.12 NODES OF HIGHER ORDER SOCIAL FACILITIES AND LOCAL SOCIAL FACILITIES

Social facilities provide an important service to communities and the provision of these facilities is integral to the response to marginalized areas in eThekweni. eThekweni has an adopted set of social facility standards and social facility nodes. The geographic location of both local and national social facility backlogs has been determined and an integrated intervention plan has been developed to eliminate these backlogs. Many facilities are provided by national and provincial departments and this is part of the IGR engagement process documented in Part C of the BEPP. The priority from a BEPP perspective would be to prioritise all facilities (municipal, provincial and national) that respond to the roll-out of both human settlement programmes and the IPTN. This will contribute to an integrated response that builds quality living environments as espoused in the eThekweni IDP.

4.2.13 ADJUSTMENTS TO OTHER SPATIAL TARGETING INSTRUMENTS

PRIORITY HOUSING DEVELOPMENT AREA (PHDA)

Cornubia is a designated PHDA. Cornubia North, Umlazi Regeneration, Bridge City KTC, Inner City, and Amaoti have also been included as designated PHDA's. It must be reiterated that in due course the land parcels recently offered to eThekweni Municipality are located within the (northern region) of the city's PHDA.

SOCIAL HOUSING RESTRUCTURING ZONE (SHRZ)

eThekweni has numerous SHRZs. They were designated in two Phases several years apart. All of the existing SHRZ's fall within the Urban Zone, except Chatsworth, which is in the Suburban Zone. A SHRZ has been proposed to National Human Settlements, to cover the whole of the Urban Zone. The rationale is that this Zone, as the site of most intensive capital investments, and as the preferred location for residential densification, as well as a preferred site for rental accommodation, should be afforded every opportunity to bring in the necessary investment.

URBAN DEVELOPMENT ZONE (UDZ)

The greater part of the Durban CBD is a UDZ. Because the Durban CBD is wholly contained within the eThekweni Integration Zone, no adjustment to the spatial definition of the UDZ is needed.

SPECIAL ECONOMIC ZONE (SEZ)

The Dube Trade Port has been designated as a SEZ. Its status as an SEZ is intended to stimulate economic investment and trade.

INDUSTRIAL DEVELOPMENT ZONE (IDZ)

eThekweni does not have an IDZ. It appears unlikely that government will support new IDZ's, and instead is likely to consider converting existing IDZ's to SEZ's. Consequently, no IDZ is proposed for eThekweni.

ALIGNMENT TO SDF AND LAND USE MANAGEMENT SYSTEM (LUMS)

One of the principles for the definition of the Prime Investment Corridor is that its geographic extent should be based on intensifying and prioritising already intense and-or approved economic, mixed, and intense residential land uses as described in the SDF, Sub-metropolitan Spatial Development Plans (SDP's), and LUMS.

This principle has been applied, to the SDF, but SDP's and LUMS have not yet been reviewed for their alignment. The assumption that the Prime Investment Corridor accurately and comprehensively interprets the other planning instruments has not been deeply tested. With the increase in the number of formal and informal structures and settlements becoming victims of storms and floods there has been a tendency to find emergency alternative land parcels. Often though, these parcels do not align within the integration zones.

Work to be undertaken in 2019/20 includes:

- The sideways integration of Sector Plans to each other;
- The upward integration of sector Plans into the IDP, SDF, SDP's and BEPP; and
- Detailed Investigations of the boundary of the eThekweni Integration Zone with the IPTN routes and with the package of spatial plans in order to ensure full alignment.

HIGH RISK INFORMAL SETTLEMENTS

The Figure 50 below provides an indication of the informal settlements that are either fully or partly affected by Flammable Oil / Petroleum / Gas Pipeline Servitudes as well as the 1 in 100 year Floodplain. In relation to the total informal settlement backlog, less than 4% of households are either fully or partially affected by these risks. Nevertheless high risk settlements will be considered for priority relocations to suitable greenfield projects. In addition as part of the Municipality's new approach to informal settlements which has a strong focus on resilience building, the aim is to work in collaboration with communities on the ground in order to identify short, medium and long term solutions to challenges.

With regards to informal settlements in floodplains as per Figure 51, there lies the challenge of identifying the level of risk in each informal settlement. Every settlement in a floodplain is at risk of flooding but the extent of the risk is dependent on the volume of rainfall within the catchment and where the rainfall falls. In addition the risk is related to the velocity of the river water, the nature of the soil which leads to erosion risk as well as the depth of the water in relation to the dwelling levels. A Risk Matrix is being developed by the City's Coastal and Stormwater Management Department as a possible method to identify settlements and dwellings with the greatest risk

INFORMAL SETTLEMENTS AFFECTED BY FLAMMABLE OIL / PETROLEUM / GAS PIPELINE SERVITUDES

NAME OF SETTLEMENT	WARDS	PLANNING UNIT (SUBURB)	TOTAL NO. OF STRUCTURES	APPROX. % OF STRUCTURES AFFECTED	ESTIMATED NO. OF STRUCTURES AFFECTED
Nazareth	16	Nazareth	450	TBC	TBC
Horseshoe Road	32	Clairwood	76	100	76
Dayal Road	32	Clairwood	37	100	37
Mississippi (Amanzimnyama Stream)	32	Clairwood	55	67	37
Cato Crest incl. Greenland	30	Cato Crest / Cato Crest - Open Space	3835	6	212
TOTAL					362

Notes:
TBC – To be confirmed
Information as provided by Fire & Emergency Services Unit (Nov2019)



Fig 50 Location of High Risk Informal settlements

INFORMAL SETTLEMENTS AFFECTED BY THE 1 IN 100 YEAR FLOODPLAIN

CATEGORY	NO. OF SETTLEMENTS	ESTIM. NO. OF HOUSEHOLDS AFFECTED
100% H/HOLDS AFFECTED	2	461
>80% H/HOLDS AFFECTED	5	916
20-80% H/HOLDS AFFECTED	35	4,055
<20% H/HOLDS AFFECTED	116	5,091
TOTAL	158	10,523

NB: Informal settlements that are affected by the 1 in 100 year floodplains, may not always be flooded depending on location, frequency and volume of rainfall.

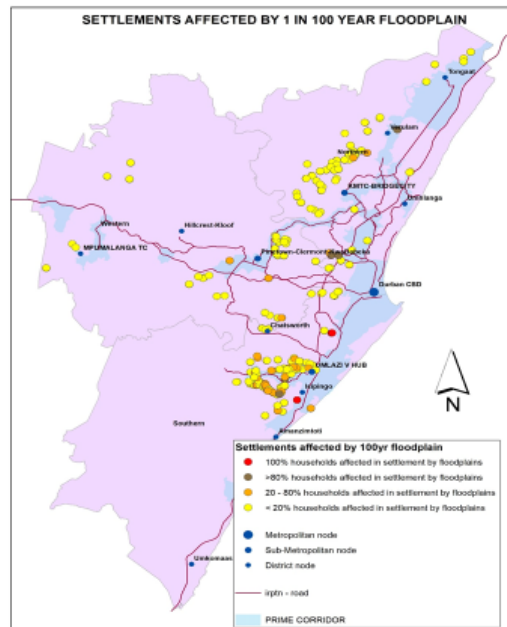


Fig 51 Location of High Risk Informal settlements

CHALLENGES TO HOUSING DELIVERY

The funding portion for top-structures is insufficient for medium and high-density developments such as double-storey row-houses, especially if they are located on steep sites. Medium to high-density developments are required to implement the spatial and housing strategies of eThekweni. Top-ups per unit are required to enable the construction of double-storey duplexes. Going two storeys and more results in significantly higher costs. As a result the very poor cannot own units in high density developments. Even if funding was made available, a focused home ownership program will need to be initiated, educating beneficiaries on their responsibilities in living within sectional title developments. This also begs the question of whether such beneficiaries will be in a position to afford the levies.

The housing subsidy provisions for difficult geotechnical conditions are insufficient for building on steep and geotechnically difficult land. The geotechnical variation allowed for in the subsidy scheme does not adequately respond to eThekweni soil and slope conditions. A top up subsidy is required to enable additional earthworks, embankments, soil retaining, slope stabilisation, and stormwater control in such areas.

Other key challenges relating to Housing:

- High backlogs with limited funding available;
- Lack of well-located and suitable land;
- Projects stalled due to delays experienced in land acquisition, environmental and developmental approvals and conflicting interests, especially with adjoining communities.
- Invasion of land and houses.
- Unavailability of bulk infrastructure (sewer, water, electricity and roads) and/or aging infrastructure.

5 STRATEGIC OVERVIEW OF DEVELOPMENT RESPONSES:

Economic Nodes

5.1 ECONOMIC NODE PLANNING & PROGRESS

Economic development initiatives must contribute significantly to the eThekweni Municipality's vision of becoming Africa's most caring and liveable city by 2030, where all citizens live in harmony. A liveable city is one where residents feel safe, socially connected in an environmentally sustainable location with access to affordable housing, public transport, equal employment opportunities, health, community services, leisure and culture. These are the essential ingredients for a liveable community, needed to promote health and wellbeing, build communities and support a sustainable society.

Liveable cities, however, cannot thrive in a global economic village if they do not identify and repair existing and persistent challenges from the past and embrace emerging ones and their immediate impacts on developing regions. Since 1994, the eThekweni Municipality, like many other metropolitan cities in the country, has confronted many of these challenges - those relating to the past, and the rest as a response in adapting to the vagaries of global economic trends. Each come with its own set of challenges and requires a specific implementation plan. These are also closely aligned with some of the focus areas from national government such as land reform, securing of investment, economic inclusivity, and partnership-building with like-minded stakeholders.

The various economic development objectives for the eThekweni region is spelt out in the City's *Integrated Development Plan* under 'Plan 2'. The Plan focuses on key areas such as tourism, catalytic projects, urban renewal, investment promotion and facilitation, small business support, city enterprises, economic leadership, industry support, and township revitalization.

The City's current Economic Growth and Job-Creation Strategy has been reviewed and updated for the period 2019-25 through an interactive partnership approach called 'Shape Durban', the substance of which has culminated into the new '*Accelerated and Inclusive Economic Growth*' for the region. The Strategy, which identified seven theme groups on which to focus, ranging from economic development, skills, enterprise support, infrastructure and urban management and the institutional frameworks that has been configured into three Focus Areas.

The first area is '**Strengthening and growing core assets through targeted densification and improved urban management**'. This firstly unpacks the way South African cities were integrated in the apartheid spatial form and the subsequent economic, social, environmental and political impacts thereof. This aims to undertake integrated infrastructure planning to re-align the various spatial forms to ensure a renewal of these spaces towards economic growth that adheres to current development dynamics. These relate to resilient, smart and innovative cities that are effective and safe.

The second area is about '**Growing key tradable sectors through improved competitiveness and investment attraction**'. It looks at the current state of eThekweni's tradable sectors and what is required to improve its performance by addressing the skills gaps and adopting the principles of the Fourth Industrial Revolution and innovation, among others. This will identify those industries that may have a competitive or comparative advantage, both nationally and globally in order to build output agglomeration. The sectors identified include textile, clothing and leather products; fuel, petroleum and chemicals; manufacture of transport equipment; land and water transport and agriculture and agro-processing.

eThekweni also has the potential to become the gateway for intra-African trade by exploiting export opportunities in the African Continental Free Trade Agreement (AfCFTA) which is an ideal platform to attract foreign direct investment.

The third area is about **‘Improving the Business Environment’**. Many of the factors that influence the choice of location may be controlled at a local government level – this is described as the ‘ease and cost of doing businesses’. The areas where the City can influence investors’ choice of location include the availability of suitable land and infrastructure; public transport; the cost and ease for obtaining utilities and security of utilities; investment incentives; quality of life; rates and business taxes; reducing red tape and transparency and government procurement. Recent studies by the World Bank benchmarked several cities by examining some of these factors which showed that eThekweni had shown improvement in some but not all the areas. This has now afforded the City an opportunity to address and improve in the areas that need attention.

To achieve eThekweni’s vision, the Plan describes an economic framework that builds on past successes such as stimulating key sectors of the economy and providing business support. It also outlines the need to include a strategic focus on economic leadership and intelligence, facilitating partnerships, maximizing the benefits of infrastructure development, nodal and corridor development, investment promotion and facilitation, enterprise and sector development such as the film industry, automotive, chemicals, creating a competitive tourism sector and ensuring sustainable livelihoods. A key feature of the Economic Growth and Job Creation Strategy is a strong focus on improving the productive sectors of the local economy. Manufacturing is a very significant sector of the eThekweni economy and employs over 185,000 people, comprising about 15% of total employment. In terms of GDP output our manufacturing region is second to Johannesburg.

5.1.1 STATE OF THE GLOBAL, NATIONAL AND LOCAL ECONOMIES

The continuous trade tensions between China and the United States (US) was exacerbated by the US intention to impose tariffs on a further \$300 billion of Chinese imports and in retaliation, China introduced additional tariffs on \$75 billion of imports from the US. These developments affected global equity markets and saw a decline in global oil prices and higher capital outflows from emerging economies. The trade tensions have also contributed to slowing demand in Africa’s main trading partners, including China and the Euro region, leading to lower commodity prices and weaker demand for the continent’s commodity exports.

The International Monetary Fund (IMF) has projected global growth to rise from an estimated 2.9% in 2019 to 3.3% in 2020 and 3.4% for 2021.

The State President has announced strict measures to combat the spread of the coronavirus. These include a ban on travelling to countries stricken by the virus, the closure of most of the country’s land ports and imminent announcements of fiscal and other measures to mitigate the effect of the virus on the economy.

Nationally, the South African economy has followed the global trend with weak growth and has also contributed to poor employment growth as a result of lower commodity prices, higher borrowing costs and diminished confidence. The volatile exchange rate is also impacting negatively on inflation and the agriculture sector is feeling the effects from the recent drought. The country’s growth is expected to improve gradually over the medium term to reach 2.4% in 2018. Despite these challenges, the country has many strengths on which to build – a strong institutional framework that promotes accountability and transparency, monetary policies that are keeping inflation in check and a sophisticated, innovative private sector. The national government is striving to strengthen its partnerships with the private sector, labour and civil society, to fast-track economic transformation as outlined in the NDP. The State President has also announced in March 2020 some strict measures to combat the coronavirus pandemic that has had a staggering effect on the global economy. These include a ban on travelling to countries stricken by the virus, the closure of most of the country’s ports and imminent announcements of fiscal and other measures to mitigate the effects of the virus on the national economy. The virus will have a negative impact on GDP growth, tourism and trade movements during 2020.

The African National Congress (ANC) January 8th Statement for 2020 has reaffirmed the injunctions contained in the historic Freedom Charter. The Charter shares a focus towards several areas currently under scrutiny by national government – investment, jobs and inclusive growth; an effective land reform programme; and eradicating poverty and improving peoples’ lives. One of the tasks of the ANC for 2020 include *‘We will mobilize all social partners to grow and transform the economy’*. This entails an economic recovery to create jobs and

opportunities. In addition, there will be attempts to intensify all measures to increase investment, stimulate greater growth, deepen skills development and remove all impediments to greater economic activity.

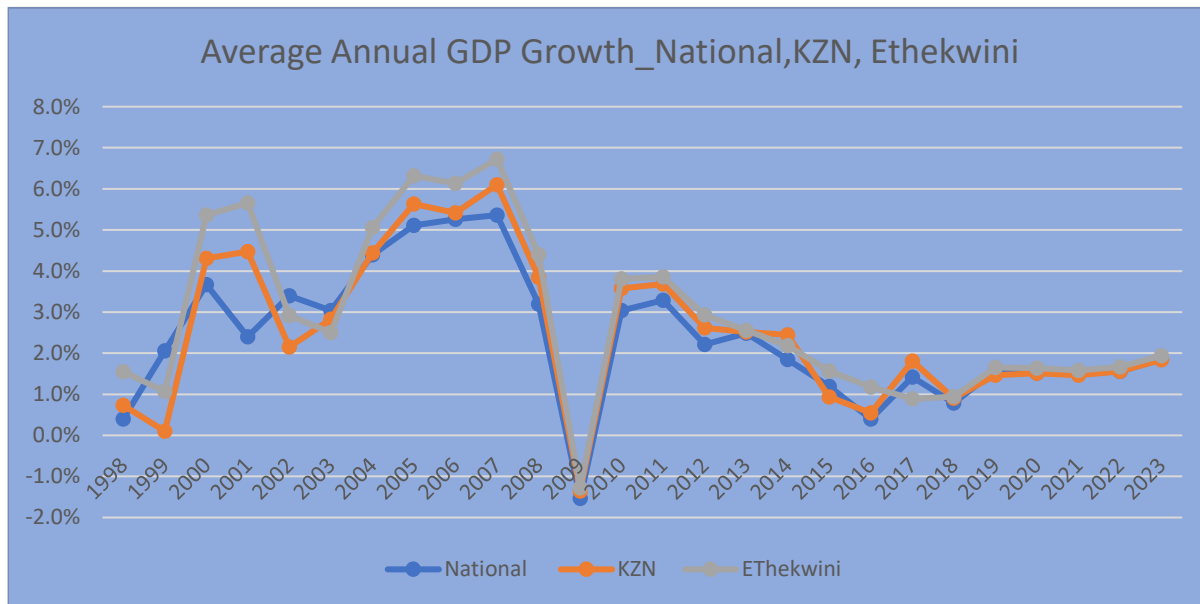


Fig 52 Average GDP Growth

The above Figure 52 shows the annual percentage growth for the city, KZN and national. The ideal growth that is targeted in order to achieve robust employment and development occurred during 2003-2007 and during the 2010 World Cup but dropped immensely thereafter up to 2016. In order to achieve the employment targets as set in the National Development Plan, the city needs to grow at a rate of 4% to 7.5%. At present the city is averaging under 3% over the past few years.

SECTORIAL COMPOSITION OF ETHEKWINI'S GDP: BROAD SECTORS, 2018 (CONSTANT, 2010 PRICES)

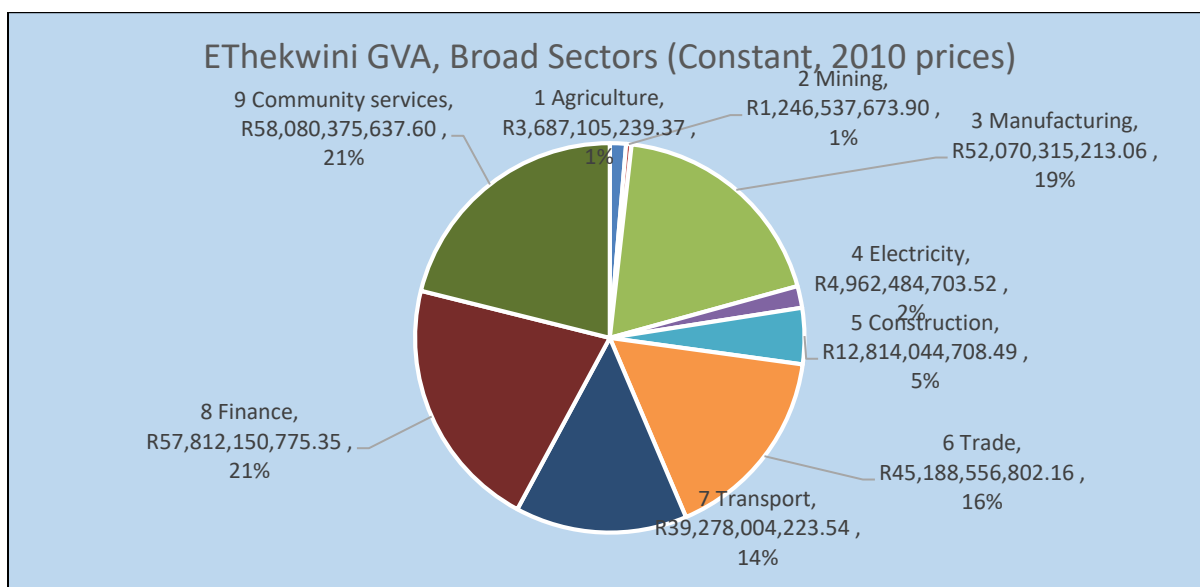


Fig 53 Sectoral Composition

The Figure 53 shows the percentage contribution to GDP by broad sectors during 2018 for the eThekweni Municipal region. GDP growth was recorded as R302.4 billion in 2018, growing by 0.9% from 2017 and is

estimated to grow by 0.3% in 2019 to R303.2 billion. The local economy was dominated by tertiary industries that included finance (21%), manufacturing (19%), trade (16%), transport (14%) and construction (5%).

The eThekweni population was approximately 3, 9 million as per by Global Insight in 2018 and comprises 34, 7% of KZN and 6, 9% of South Africa's total population. The eThekweni population grew by 1.3% during 2017 and 2018. As at 2019, the number of households in eThekweni number 1, 125, 767 with a geographic area of 2,556km² and a population density of 1,512 persons/ km².

The unemployment rate for eThekweni decreased to 20.9% in Q4 2019 from 21.5% in Q3 2019. The labour force absorption rate showed an increase of 0.2% (from 48.1% to 48.3%) and the participation rate decreased by 0.3% (from 61.3% to 61.0%) over the same period, indicating that there are more people looking for employment and the likelihood of them finding employment has decreased. The services sector accounts for the largest portion of the workforce which includes community services, finance and trade, followed by manufacturing (the tertiary sector).

The Figure 54 below shows the unemployment trends during 2017 to 2018 for the major cities.

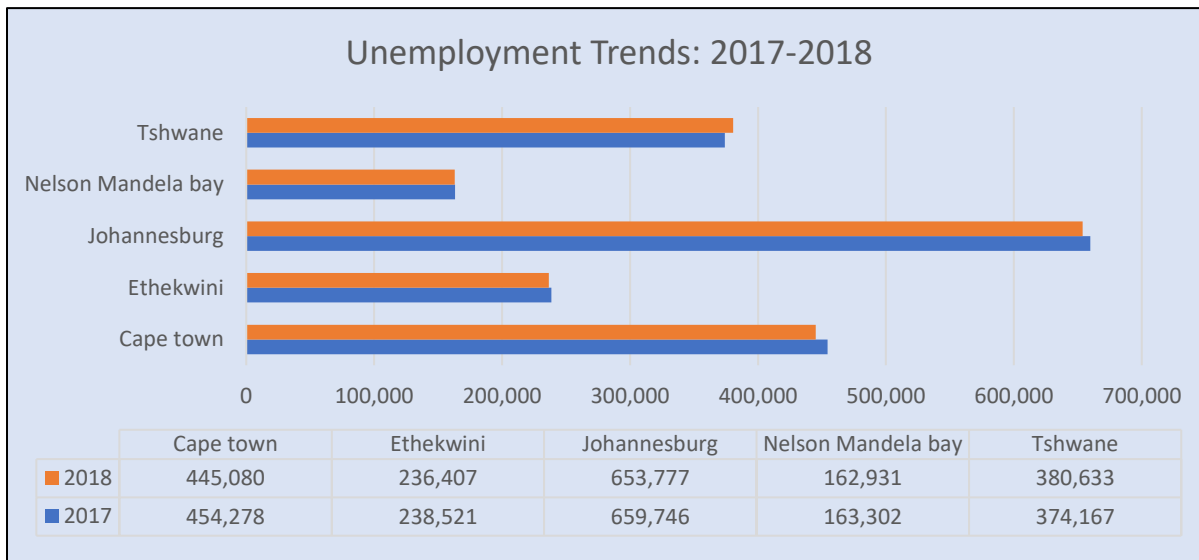


Fig 54 Unemployment Trends

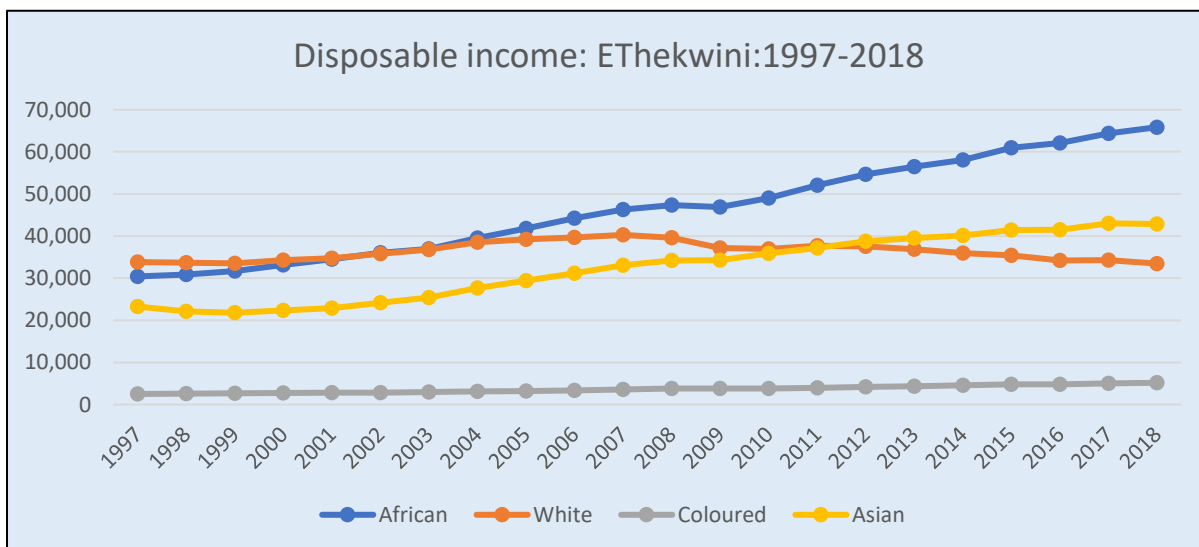


Fig 55 Disposal Income

Real disposable as per Figure 55 above income decreased by 0.44% between 2017 and 2018. This may be ascribed to the persistent increases in the fuel price which often tends to push up the costs of other essential items such as food and transport.

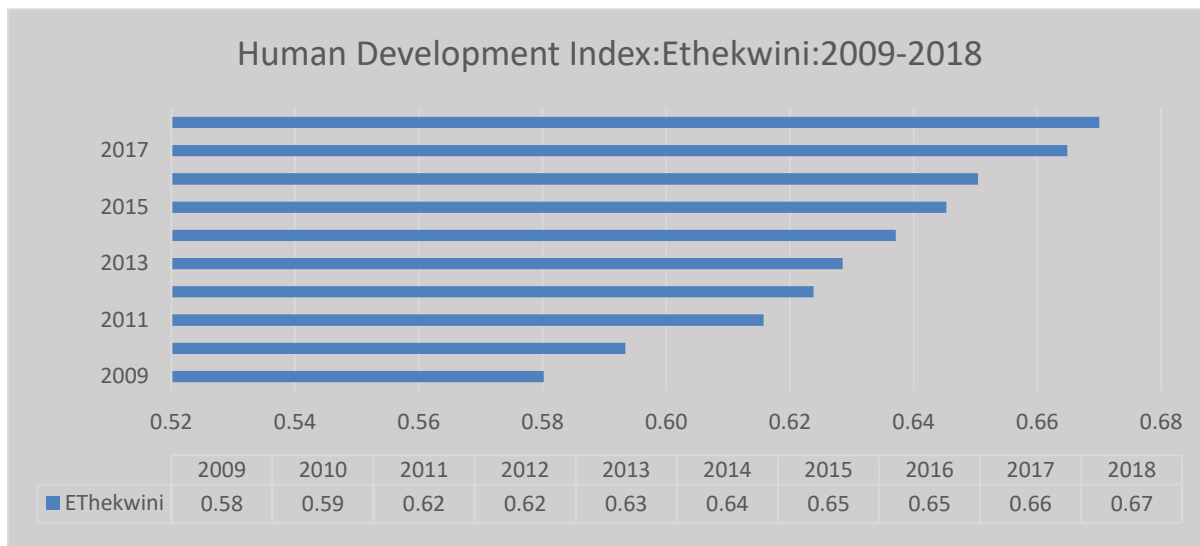


Fig 56 HDI

The above Figure 56 compares the change in the human development index (HDI) for the eThekweni between 2009 and 2018. The changes were roughly similar for most of the other major cities; however, eThekweni has the 5th lowest HDI in 2011 (0.62) when compared with the other major cities.

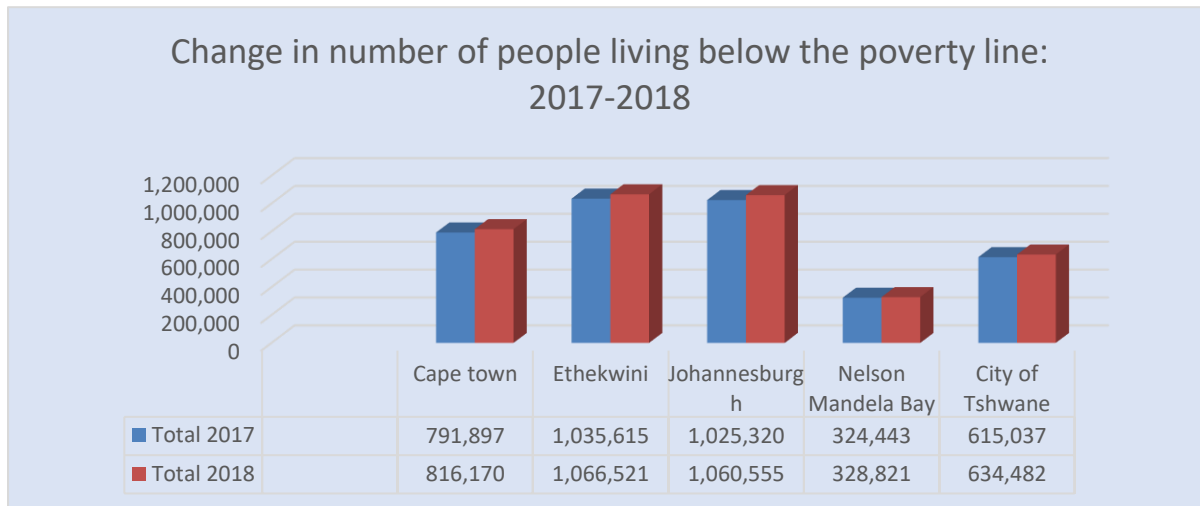


Fig 57 Change in people below poverty line

According to Global Insight, over a million people are living below the food poverty line in eThekweni in 2018, with most of the people from the African group, following by Asian, Colored and white. eThekweni has also been recorded as having the highest number of people living below the food poverty line, followed by Johannesburg, Cape Town, Tshwane and Nelson Mandela Bay as indicated in Figure 57 above.

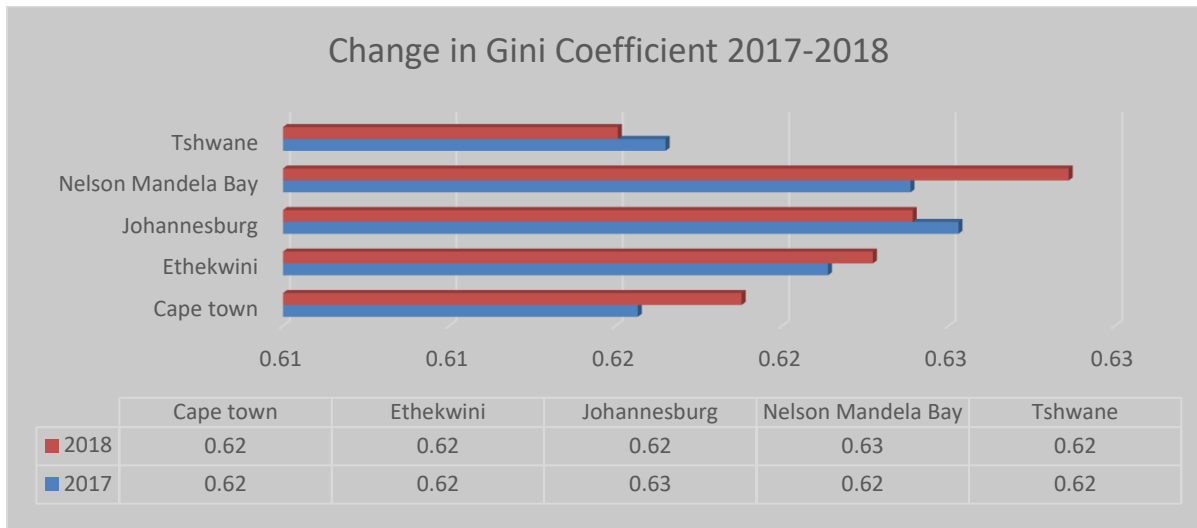


Fig 58 Gini Coefficient Source

When ranking the Gini coefficient, as in Figure 58 above, amongst the major metros, eThekweni was joint 2nd with Tshwane, Johannesburg and Cape town, while Nelson Mandela Bay is at 0.63. The Gini coefficient is a summary statistic of income inequality, which varies from 0 (in the case of perfect equality where all households earn equal income) to 1 (in the case where one household earns all the income and other households earn nothing). In practice the coefficient is likely to vary from approximately 0, 25 to 0, 70.

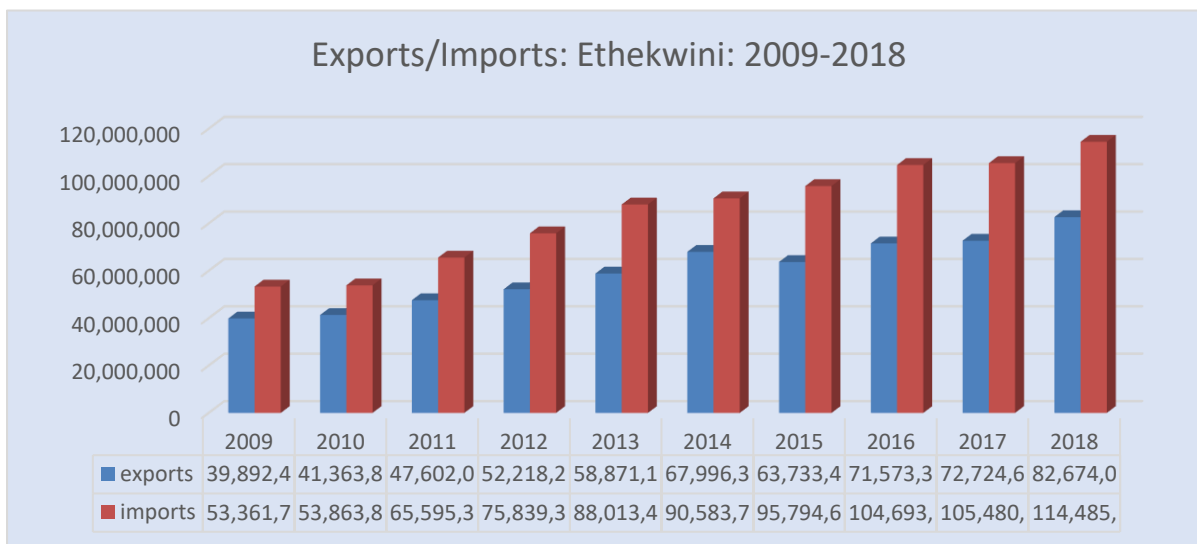


Fig 59 Imports and Exports

Figure 59 above indicates eThekweni's exports as a percentage of the national total 6.6% during 2018, while eThekweni's contribution to national imports was 9.4%. In eThekweni, imports have grown at a faster rate than exports during 2009-2018. The slowdown in demand for commodity prices and the general economic decline during the past year contributed to the low export figure.

Over 60% of all exports during 2018 were motor vehicles, parts and accessories and basic iron and steel. Almost 50% of imports are motor vehicles, parts and accessories, and basic chemicals. Most exports are destined for African countries and many imports are from Asia. The number one export partner is Japan, while the top import partners are Germany and China.

Figure 60 shows the number of trips by purpose of trip in eThekweni from 2012 to 2018. Tourism continues to contribute significantly to eThekweni's GDP. The graph shows that the main source of tourists – leisure/holiday and family/relatives declined during 2012-2018 with business decreasing during 2012 to 2018.

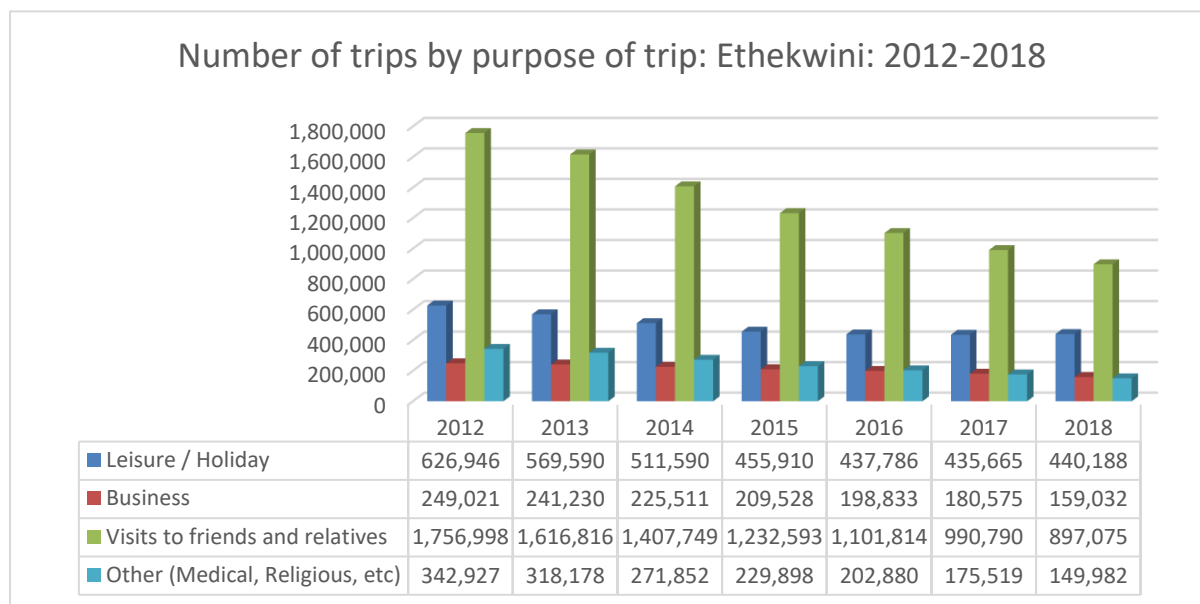


Fig 60 No. of Trips by Purpose

Figure 61 below reveals there was approximately 89% to 11% split between domestic and international total bed nights in 2018. Over the past 7 years, the number of domestic visitors averaged around 7.2 million, while international averaged approximately 2.4 million in the eThekweni region on an annual basis. Domestic travel showed a decreasing trend during 2012 to 2014 but began improving from 2015 to 2018, even though it still reflected negative trends. International travel showed a similar trend during 2012 to 2015 but showed a positive trend from 2016. As China is one of the primary sources of tourism for the country, the coronavirus pandemic is expected to cause a significant drop in tourism numbers to the city during 2020 due to the recent ban on international travel.

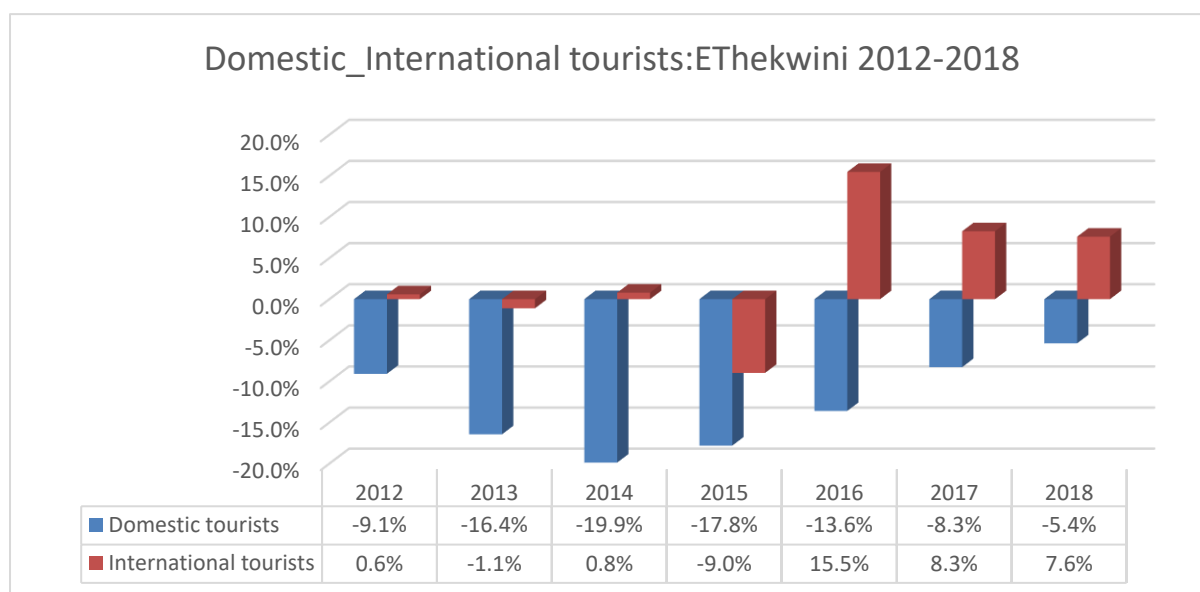


Fig 61 Domestic/International Tourist

PORT OF DURBAN

The Port of Durban is a significant infrastructure in attracting foreign direct investment and remains the premier multi-purpose port of the country handling over 60 % of total container traffic to and from South Africa.

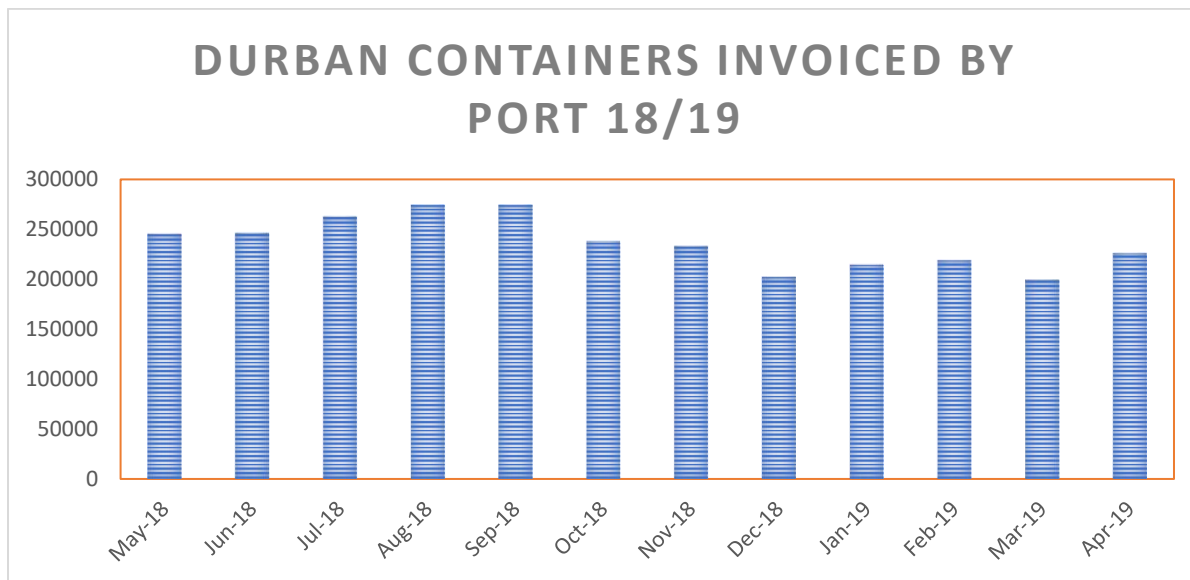


Fig 62 Durban containers invoiced

The total number of containers invoiced as per Figure 62 above, at the Durban port during 2018 was 2,966,572 averaging 247,214 containers per month. There was slight increase in container traffic from March to April 2019. The port activity is at the mercy of commodity demand and fluctuating prices, which affects traffic on a global scale. The ongoing trade conflict between the USA and China are also having a negative impact on global trade, and the coronavirus pandemic has decreased level of trade activity between China and South Africa. This is expected to have an impact on movement of goods globally as China is linked with a significant share of the global value- and supply chain.

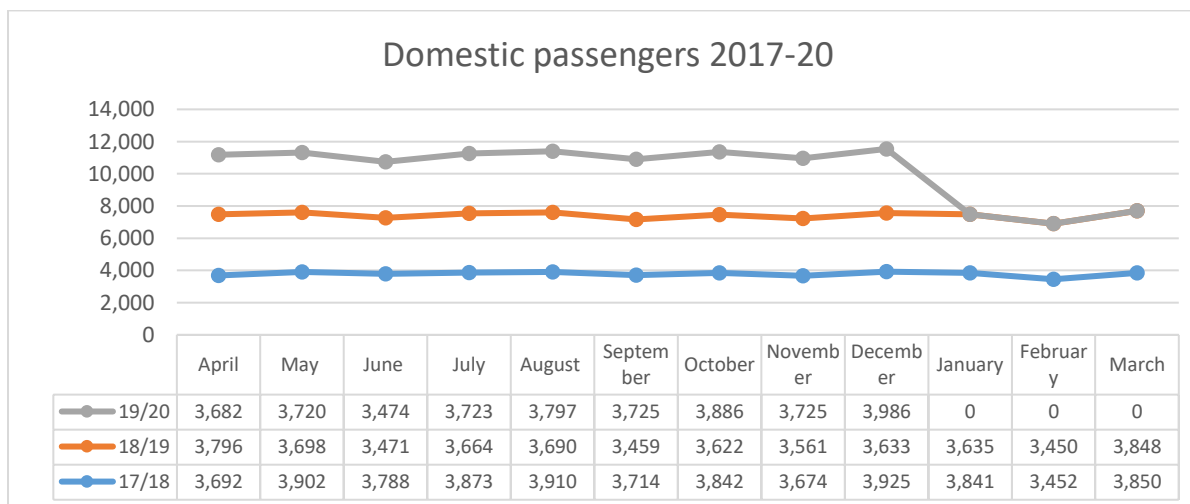


Fig 63 Aircraft Movement : King Shaka Airport

The flight numbers relating to domestic passengers at King Shaka International Airport indicated in Figure 63 above showed a compound annual growth rate of 0.88% from April 2019 to December 2019 with a monthly average of approximately 3 748. Domestic movement showed an overall improvement during 2018/19 when compared with the previous two financial periods.

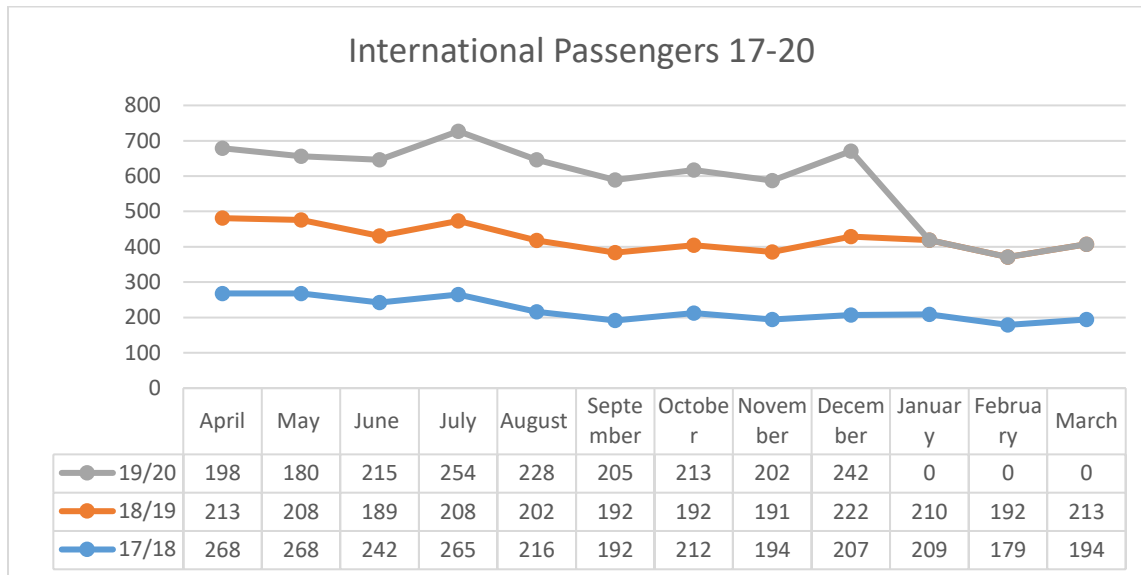


Fig 64 International Passenger Movements

International flights as indicated in Figure 64 above, at King Shaka International Airport showed an increase between 2018, 2019 and the first few months of 2020. The introduction of direct flights from October 2018 from Durban to London by British Airways boosted the numbers for December 2019 and is expected to continue this trend during 2020. The national carrier and indeed most of the others have suspended all international flights due to the coronavirus which will show a significant decrease in international movement during most of 2020.

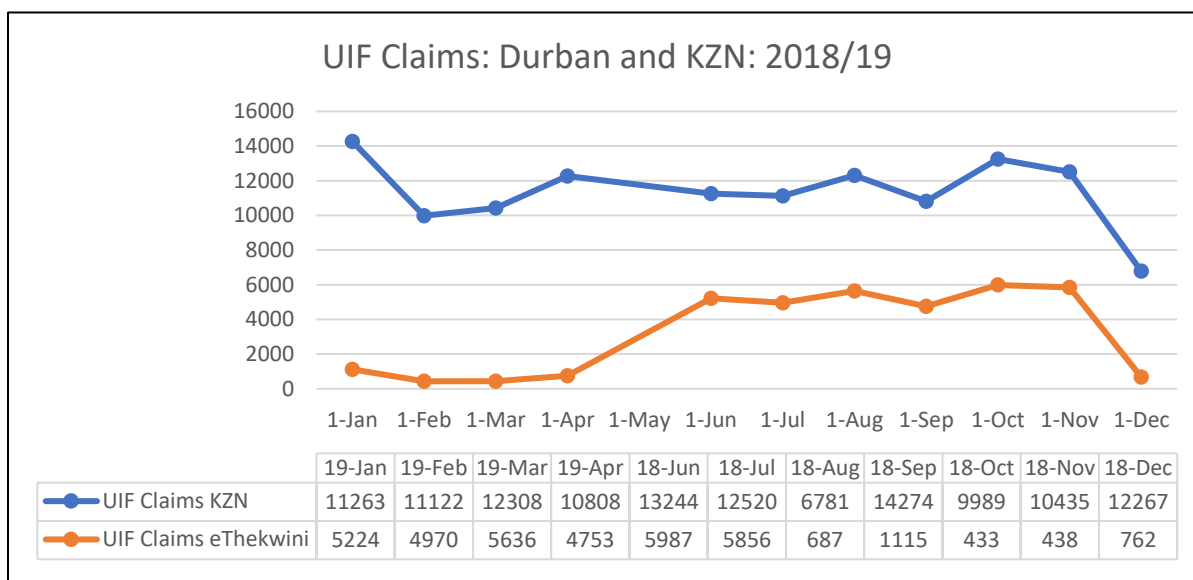


Fig 65 UIF Applications

The Figure 65 above shows the UIF claims for KZN and Durban from June 2018 to April 2019. The claims show a consistent trend over this period for both regions, with the unemployment rates showing the same trends during this time. The monthly average claims for KZN and Durban for these 11 months were 11,877 and 5,345. The biggest drop was evident in both KZN and Durban in November. This may be due to the start of the festive period when people go off on holidays or leave and plan to collect same at another time. It was not possible to obtain updated data in time for the update of this report and new information will be reported on, in the next edition.

5.1.1.1 A COMPELLING VISION

eThekweni needs a compelling vision, rooted in the SDF, which all the development partners can throw their energy behind. For eThekweni to grow and develop in a sustainable, resilient and inclusive manner it needs to deliver an

urban footprint that is accessible, compact and affordable. This will in turn require a change in direction from a sprawl driven city to one that is better connected and offers much higher quality accessible amenity and economic access for the majority through a built environment profile that is denser along key infrastructure and transit routes that are closer to key urban assets such as the CBD, Port, major industrial and commercial areas. In fact, the City has a responsibility in policy and in law⁹ to act in certain ways to achieve sustainable and inclusive urban outcomes that encourage economic opportunities and inclusion.

A more compact, connected, accessible and integrated city will promote prosperity, social inclusion and environmental sustainability. By concentrating physical, human and financial resources, the city will grow in a way that is smarter, uses land more efficiently, conserves resources better, facilitates human interaction and boosts economic productivity. People, firms and public entities that depend on each other for inputs and outputs will save on transport costs and benefit from convenience. Proximity between diverse activities means that they will feed off each other in various positive ways, creating an interconnected system with powerful feedback effects on economic development. Well-managed urban precincts will promote buzz and vibrancy, as people and firms collaborate, compete, share ideas and learn from each other, which will spur creativity and accelerate progress – a ‘density dividend’. Intensively developed corridors and a compact urban form will also reduce the capital and operating costs of many forms of shared infrastructure. This will reduce the municipal tax burden on firms and households as the city grows over time. A dense and well-connected city is particularly important for workers with low-paid, part-time and precarious jobs because it reduces their costs of commuting to work and of searching for new opportunities when their current positions expire.

Drawing heavily on the SDF nodes and priorities as well as the BEPP emphasis on a Prime Investment Corridor that abuts the public transport corridors, a map depicting a spatial Economic Strategy has been articulated below. This Figure 66 below shows all the large existing commercial and industrial employment areas and highlights segments of the Prime Investment Corridor that require particular focus and investment. The proposals made for improving the business environments within the different geographic areas should be read in conjunction with the “Transforming the Economy” chapter where greater detail is provided.

⁹ According to the Integrated Urban Development Framework (IUDF), the Spatial Planning and Land Use Management Act (SPLUMA) and the New Urban Agenda (NUA)

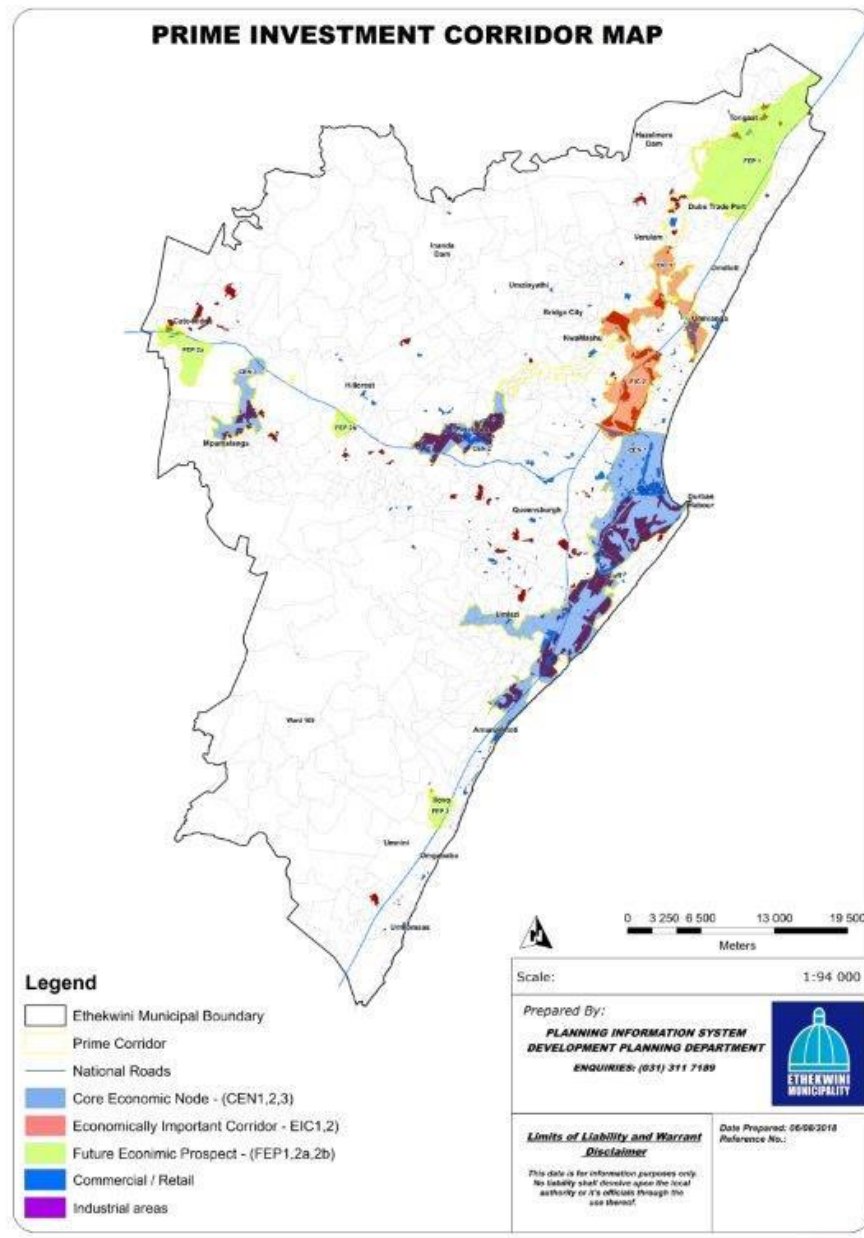


Fig 66 Economic Nodes and the Prime Investment Corridor

Core Employment Nodes (CENs) represent the bulk of existing employment (industrial and commercial) and a very substantial historical investment in infrastructure that needs to be utilised to its maximum in order to retain existing employment as well as grow new employment opportunities. There is a need for the progressive upgrading of business environments in core areas and townships. Some of the job's growth will come from intensification within these core areas but there will also be opportunities for expansion into adjoining areas of vacant and re-developable land. There is a conscious linking of the main economic focus areas to township nodes in order to spark further economic development in township areas. There will be opportunities for better integrating the core economic areas with surrounding residential areas as well as the introduction of higher density mixed income housing and the integration with and improved servicing of adjacent well-located informal settlements in order to enhance the scope for lower income residents to be closer to urban opportunities.

CEN 1 is the highest priority and it incorporates the Durban Inner City and the entire South Durban Basin as well as an integration corridor extending into Umlazi. A range of interventions will be required including infrastructure

refurbishments to improve infrastructure reliability of service, re-design of streetscapes and introduction of quality public places, more higher density mixed income housing¹⁰, traffic management and the introduction of public transport solutions for more intense development, the provision of additional social facilities, urban management and the exploring of land value capture.

CEN 2 is the second highest priority and incorporates Pinetown, Westmead and New Germany as well as the integration corridor extending into Clermont/KwaDabeka. Similar interventions to those above are envisaged here.

CEN 3 is the third highest priority and incorporates the Mpumalanga town centre area and Hammarsdale Industrial area as well as the integration corridor extending towards the N3, including Keystone Logistics Park.

Economically Important Corridors (EICs) were identified in order to bring in the significant employment generation areas that have coalesced alongside major arterial routes forming corridors of economic activity. EIC 1 is the highest priority and incorporates Cornubia Industrial and Business Estate, Mt Edgecombe Industrial, the commercial areas of the Umhlanga New Town Centre as well as Phoenix Industrial Park and Bridge City and KwaMashu Town Centre. EIC 2 is the second highest priority and incorporates the industrial and commercial development along North Coast Road all the way to Briardene Industrial Area.

There are a number of significant economic proposals that lie further afield and these have been labelled as Future Economic Prospects (FEPs)- though there may be pockets of development uptake in these areas currently¹¹, the areas are very large and require major infrastructure investment and will only fully materialise sometime in the future. The Dube Trade Port is the highest priority and is labelled FEP1. Two economic prospects in the western region have an equal level of priority viz. Shongweni being FEP2a and Cato Ridge being FEP2b. The Illovo development proposal in the south which includes the Auto Supplier Park is labelled FEP3 and is seen as a lower priority than the other FEPs at this time.

Drawing on the spatial plans and related policies covering these priority economic areas, a project list can be drawn up fairly quickly, then analysed and prioritised and budgeted.

5.1.1.2 PRIORITISING THE RIGHT PROGRAMMES AND PROJECTS

If we are to be successful in promoting development within these priority areas and attracting the right kind of development that supports a specific spatial strategy, then it is critical that all major programmes and projects go through a proper evaluation before being approved and allocated budget. This will assist in promoting a municipal budget that is strategy-led and an improved alignment of private sector investment.

Major development applications will be evaluated both in terms of their fit with municipal land use plans and the extent to which they respond to a range of prioritisation criteria including:

- Stronger emphasis on brownfield than on greenfield sites;
- Preference for transit-oriented development and the promotion of high gross densities adjacent to public transport corridors;
- Preference for mixed use and mixed income development;
- Value for money based on assessments incorporating financial and socio-economic elements;
- Preference for productive over consumptive economic uses;

¹⁰ The 2017/18 Inner City Plan proposes an additional 250 000 people to be accommodated here in social and gap housing as well as intensification of mixed uses within the South Public Transport Corridor.

¹¹ This needs to be supported through the provision of incremental additions of infrastructure capacity on the basis of evaluation of cost versus benefit.

- Promotion of a Smart City¹²;
- Promotion of Climate Resilience¹³;
- Promotion of key built environment outcomes that are reflected in the City's own scorecard; and
- Infrastructure demand management and alternative supply solutions preferred over infrastructure network extensions.

Institutional prioritisation structures/committees must be established with correct & broad enough technical composition and with delegated authority. The Technical Prioritisation Committee will need to adopt and use a range of tools¹⁴ in order to evaluate projects and to assist in making sensible decisions. Spatial prioritization methodologies and decision enabling tools need to be used to assist with making technical evaluations of projects in order to improve the likely impact on issues such as the advancement of spatial transformation, greater economic growth, enhanced economic transformation and delivery, reduced environmental impact, improved value for money, fair apportionment of contributions to bulk infrastructure etc. The current reality is that large projects requiring a substantial financial commitment from the City, are often approved without an evaluation of cost versus benefit and with little monitoring of whether the promised benefits are actually achieved. In this way the next round of project approvals often does not benefit from learnings in previous rounds.

All projects of a size and impact that is significant must be properly evaluated with a view to fully understanding the project and its likely impact and to make a judgement call on whether the project is contributing to the achievement of the spatial strategy. These project evaluations will not slow down approval times but will likely speed up approvals¹⁵ and will lead to increased confidence in the timely delivery of integrated infrastructure provision. The evaluations will also assist with clarifying the inter-dependence and sequencing of supporting or enabling infrastructure projects. The prioritisation process must be transparent and easy to understand and lend itself towards participation of all departments. Once the technical prioritisation committee has evaluated a project, it would then present recommendations to the relevant political Committees for approval.

eThekweni needs to develop programmes and projects in partnership with various stakeholders so that it can shift from its currently reactive approach of evaluating applications that are developed by the private sector, to one where it is developing and implementing a credible strategy in concert with its various partners.

5.1.2 IMPACT OF RECENT POLICY SHIFTS

At eThekweni, one of the major policy changes in the recent past has been the Radical Economic Transformation (RET) Framework which specifies 30% contract participation goal (CPG). Due to several work stoppages over the last period, there was an urgency to implement RET in order to prevent construction stoppages.

¹² We are all faced with a common uncertain future and the municipality must drive a programme of research into how technology is affecting our world (the Internet of Things, green technology, the Fourth Industrial Revolution, robotics etc) and what the potential resilient responses may look like drawing on international and African good practice. This intelligence must be integrated into all municipal programmes and shared with the private sector so that companies can draw out their company-specific implications.

¹³ A Strategic Environmental Assessment (SEA) to understand the bio-diversity baselines and preservation strategies, the environmental goods and services capacity now and into the future is currently underway. This is key to developing a city that is resilient to the current and future impacts of climate change and to ensure that the city grows in a manner that can be sustained into the future and continues to provide services and quality of life to its residents. Such an approach must permeate all municipal programmes.

¹⁴ Spatial Budgeting Tools, the Municipal Services Finance Model (MSFM), Cities Infrastructure Delivery Management System (CIDMS), Blue Skies methodology, RIPOA, NT Fiscal Impact model, Cost Surfaces Model etc.

¹⁵ On condition that project preparation is complete and there is availability of the required project information for adjudication/prioritization purposes.

Another major initiative at eThekweni has been the work emanating from the City Planning Commission (CPC) which culminated in the long-term draft City Development Plan in June 2018 which coincided with the end of term of the Commissioners' appointments.

The strategic pillars indicated in Figure 67 below of the City Development Plan are:



Fig 67 CPC Key Thematic Areas

To take this work forward, a new set of commissioners will be appointed soon.

More recently, the Economic Development Unit has embarked on a review of its Economic Growth and Development Strategy (termed “Shape Durban”), which may influence the trajectory the city would pursue in terms of economic growth and job creation.

5.2 ECONOMIC SUPPORT INITIATIVES

5.2.1 INFORMAL ECONOMY SUPPORT PROGRAM (IESP)

The second phase of the Informal Economy Support Programme (IESP) is now well underway, having commenced in April 2018. Despite delays in the setup phase, 23 micro and informal enterprises (MIEs) have now signed participation agreements with collective new permanent job creation potential of 104 and with 12 new jobs already created. There are a further 37 MIEs identified and under assessment with additional job creation potential of 330. The IESP is well on track to meet the overall target of the current three-year phase of 750 jobs within approximately 105 supported MIEs by March 2021.

The IESP is a specialised business support initiative which is co-funded by the Jobs Fund, eThekweni Municipality and the Department of Small Business Development. It is managed by Project Preparation Trust (PPT) which is a non-profit support NGO that partners with eThekweni Municipality in many pro-poor developmental areas including the economy, informal settlement upgrading, early childhood development and special needs housing.

The IESP reaches selected, high potential MIEs effectively and cost-efficiently in order to catalyse change. It unlocks untapped job creation potential through structured, focused support services which enable, amongst other things: product refinement, accessing finance, skills development, better business management, mutual co-operation, accessing new markets, and connecting with established business and government. The IESP provides structured support services to each selected MIE in terms of a structured business development plan and for a fixed rand value which is linked to the number of jobs which can be created. MIEs must meet stringent selection criteria, including the ability to create at least 5 new jobs. The MIEs may be co-operatives, sole proprietors or closed corporations and do not have to be formally registered. The IESP supports MIEs across various sectors including small manufacturing, specialist retail, services, contracting and agriculture.



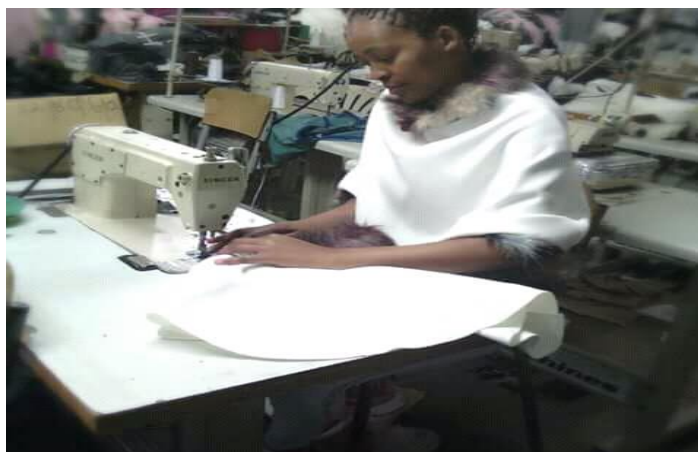
Thulani Hadebe, owner of Mthimkhulu Glass Works. Since engagement with the IESP, Mr Hadebe has created three new jobs at his enterprise, consisting of two table assistants and one admin clerk. He aims to hire a store manager and a driver as well.



MD driving school premises, owned by Mandla Dumisa. Mr Dumisa has expanded to a new location, and since joining the IESP, he has hired two new staff and plans on creating 3 new jobs - 2 driving instructors and 1 in marketing and sales.

Phase two of the IESP is the operationalisation and upscaling of a model which was refined and proven in a three-year pilot phase (ending in 2016) and in which it achieved all of its key targets including those pertaining to job creation (217 new permanent jobs were created). Collaborations with government and private sector are key, as is establishing the necessary specialist capacity and skills for effectively servicing MIEs.

A special small loan facility for MIEs is currently being developed with funding from the Small Enterprise Finance Agency (SEFA), in partnership with Ithala who will act as the financial intermediary. The special facility will significantly reduce the 'red tape' and eligibility requirements with the IESP identifying, screening, and recommending MIEs and providing 'aftercare' which will significantly reduce the lending risk and enable the financial institutions to penetrate the MIE space – something that is not currently viable for them.



Neliswa Manukuza, one of the co-operative members from Elihle Mgazi. Elihle Mgazi Co-operative is a youth-owned sewing co-operative that currently employs 36 people. There is great potential for growth in this enterprise and their objective is to open at another site. There is the potential for 30 new jobs.

The IESP has also made good progress with sectorally-focussed collaborations in respect of clothing manufacturing, community tourism and an auto hub. Sectoral collaborations can play an important role in enabling enterprises to access new market opportunities, supply into larger value chains, and source cheaper raw material which can lead to a reduction in the cost of production and therefore more competitive product pricing.

The IESP has also established new specialist capacity to support MIEs effectively. Two new full-time personnel have been recruited, including two MIE specialists and two enterprise development facilitators. A panel of 9 independent professionals with various types of specialisation has been established to support various MIEs.



Bongiwane Mncwabe, one of the owners of Okuhle Printing and Dressmaking. Ms Mncwabe and her son own the business and together, they manufacture school uniforms, church uniforms, traditional wear, office uniforms, and graduation gowns as well as printing on clothing. They are looking at securing new machines and new premises which will trigger the creation of 9 new jobs as machinists, sales agents and printers.

5.3 THE INVEST DURBAN “STEP CHANGE” STRATEGY IMPLEMENTATION

Since the approval of the Durban Invest Promotion Strategy by Council in August 2017 the Invest Durban Unit has managed to exceed the five-year target initially set in terms of new investment which was R2 billion to R3 billion worth of new investment reached R15 billion (over an 18-month period ending January 2020). This has been managed to be accomplished despite persistent challenges experienced by the Unit in terms of institutional establishment, transitioning to new premises, and staffing. In the January 2020 strategic management workshops led by full political and executive leadership, the Invest Durban institutional rollout is listed as a key resolution to be championed by the DCM for the Economic Development and Planning Cluster. In February 2020 the National Treasury City Support Platform noted the long delays in implementation of the 2017 Council resolution. The following are major risks and challenges faced by the Unit

- Lack of technical, project management and administration Human Resources capacity (81% vacancy rate for over two years on current organogram; World Bank Findings Report highlighted this in writing to full Council via the NT CSP over 4 years ago)
- Approved organizational placement and structure has not empowered the Unit to operate according to global best practice Recommendations, affecting the ability of the Unit to scale up, and compete globally to better meet its obligations of new job creation & accelerated revenue generation for eThekweni.
- Similar to the above, the Unit placement and structure has not empowered Invest Durban to deliver on any of the 2017 Council Resolutions re key internal implementation steps

- Transversal management (internal & across all 3 Spheres) remains a serious challenge; the level of cooperation and coordination with key line functions (Treasury/Finance, HR, Electricity, Water & Sanitation, Transport, Transnet, Home Affairs, etc.) could improve.
- Bulk Services infrastructure rollouts (slow), Capex costing & sharing, plus the level of pricing for Rates & Services to Business Investors
- “Business” Forums & RET implementation
- All the above create major Risks in the City’s ability to attract, retain, and grow private sector investment, leading to slower employment and flat-line revenues

The Unit has delivered in terms of its mandate to facilitate foreign direct investment into eThekweni and the section below shows highlights of the previous year 2019/2020.

FDI Projects Facilitated by Invest Durban Unit

- Mara Phones R1,5Bn FDI completed & the Presidential Launch @ DTP
- Conlog Electronics R250m FDI completed & MEC Launch @ DTP
- Heineken Breweries R3,5bn FDI secured with Team Durban. Board commitment secured & Tongaat Hulett land acquired.
- UK Investment Mission with Public & Pvt Sector Leadership (with R3bn FDI prospects) & an Oct 2020 repeat planned
- Multiple Investment-centric, international Conventions attracted, co-funded & executed, with potential FDI in progress (BioAfrica Convention, BPESA Global Business Services Investor Conference and Awards and the African Agri Summit).



President Cyril Ramaphosa with Mara Mobile CEO Ashish Thakkar at the opening of the manufacturing facility in Dube Trade Port source: Forbes



Inward bound investment mission with the North East Chamber of Commerce, Durban Chamber of Commerce and Invest Durban source: Invest Durban

Awards Earned



Invest Durban awarded twice by 2 different global Authorities as best Metro IPA in Africa (Site Selection and CFI) and locally recognised by Professional Management Review



Invest Durban & DTP SEZ awarded the 2019 United Nations Investment Award for best FDI delivery on the SDG's

2020 Highlights:

- LG Electronic R1,5bn FDI completed & Launched on 24 Jan @ Cornubia
- Kerry Foods R600m Phase 1 FDI will be completed & launched
- Invest Durban will be awarded by CNN Money/International Investor Journal for Best FDI Destination in SA, March 2020
- Multiple, growing CBD FDI commitments (e.g. Urban Lime, Anchor Props, JK Props UK, Homii, etc)
- Toyota South Africa Motors R4bn announced at Presidential Investment Conference.
- Full joint participation in both the 2nd KZN Investment Summit led by TIKZN & Presidential Investment Summit

- Active Members: Route Development Committee, Auto & Chem Clusters, Durban Chamber, KZN Growth Co etc.
- Closer relationships built with Brand SA, Invest SA, & other Public Sector Agencies

In making headway in each of the four-part mandate pillars of Investment promotion and marketing, investment facilitation and servicing, investor advocacy and investor aftercare. The unit has delivered in its administrative plans captured in the integrated development plans. In order to deliver on the DIPS, capacity building of staff through a series of workshops has been provided by the World Bank advisors. The continued support of the City Leadership World Bank Group and National Treasury is appreciated by the Unit. The review of the strategy is now due, and support will be required from the National Treasury City Support Platform.

5.3.1 SUB-NATIONAL DOING BUSINESS (SNDB) IN SOUTH AFRICA

These initiatives by the eThekweni Municipality is aimed at reducing the cost and enhancing the ease of doing business.

The World Bank executes two levels of studies to assess the cost and ease of doing business. The first level is an annual global 'Doing Business' study, where South Africa is represented by the City of Johannesburg. The second level of assessment is the national Sub-National Doing Business (SNDB). Based on the recommendation of the studies, the World Bank together with the City Support Programme have over the last 5 years implemented the Sub-National Doing Business (SNDB) Programme. The World Bank surveys targeted municipal functions with a view to bench-mark cities performances against other cities in South Africa, as well as aiming at raising cities performance to global standards, enabling efficient service delivery to its citizens.

The eThekweni Municipality participated in the follow-up survey in 2018 which measured improvements in systems and processes post the implementation of the SNDB 2015 reforms as recommended by the study. The Programme also offers peer-learning and knowledge sharing amongst municipality so that overall improvement within SA can impact positively when bench-marked against cities world-wide. The eThekweni Municipality has made significant progress in 2 of the 3 indicators as compared to other South African Cities. The City continues to work towards business systems automation which seeks to improve turn-around time, reduce the number of procedures and reduce cost to business in the City.

The eThekweni Municipality has actively engaged in three of the indicators as set out by the World Bank. These three indicators have a significant municipal function which business must undertake when setting up operations in the city. The eThekweni Municipality have planned and implemented a suite of interventions which aims to meet these core outcomes. These indicators and interventions to reduce, cost, time and the number of procedures:

- **Getting Electricity:** Improving access to electricity by providing customers with the option of applying for services online and creating efficient electronic systems to estimate reliability indices, amongst other sub-outcomes.
- **Dealing with Construction Permits:** Acquiring a construction permit to construct business premises.
- **Registering Property:** Acquiring a Rates Clearance Certificate to transfer property.
 - **Human Settlement Pilot:** Issuance of title deeds for low value properties.

Post almost 5 years of implementation of reforms supported by National Treasury and the World Bank, the eThekweni Municipality has realized much success albeit it incremental due to multi-year interventions. The core focus of the interventions is the measure of the impact felt by the client when locating a business within the City. Given that the reforms are ongoing and many of the end products are still work in progress, the following summary highlights progress and achievements per Indicator:

- **Getting Electricity:** An online streamlined submission of application is in place. The Electricity Unit has been lauded for their quality of service provided by the utility in the bench-marking study in 2018.

- **Dealing with Construction Permits:** The City has re-engineered the entire value-chain leading up to the acquisition of a construction permit, thereby significantly reducing cost, time and the number of steps taken to acquire a permit. In addition, all other preceding auxiliary procedures have also noted reduced turn-around times and information access made easier. The City has reduced its turnaround time from 103 days to approximately 80 days, which is a reduction in the number of days per regulatory requirements. The Municipality is currently testing an interim automated online submission of the development and planning requirements, to facilitate the ease doing business in the City.
- **Registering Property:** The acquisition of the Rates Clearance Certificate is co-dependent on the actions of an array of stakeholders along its business process. These include the Legal Cohort, Deeds Office, Conveyancers, Financial Institutions amongst others. The issuance of clearances and the certification is the function of the Revenue Management Unit in liaison with other departments responsible for municipal services. Through the intervention of the City's Reform Programme, an improved cooperative governance relationship has developed with all the enlisted stakeholders. The Revenue Management Unit's automation of the entire approval process is currently in its final phase. Automated systems have been installed, training and testing is underway. The success of this systems will improve turnaround time from approximately 21 days to 2 days.
 - **Issue of Title Deeds for Low Value Properties:** This Registering Property sub-outcome seeks to address the spatial divide as well as economic empowerment through the ownership of property in the name of the occupant/beneficiary.
 - The reform interventions seek to improve on the current approach and expedite the legal ownership of properties. To this end, the Municipality has engaged an inter-spherical steering committee with increased efforts in coordinated programmes to expedite the issuance of title deeds to low value property owners including the alleviation of historic backlogs of title deeds. e.g. RDP houses.
 - The eThekweni Municipality is the only Municipality currently implementing two World Bank Pilot Projects. These pilots seek to explore the City's approach to the registration of property, addressing all the planning and administrative requirements in historically unplanned and challenging topographical locations, for example for this pilot, in Welbedagt East. Another learning area that has been included is the recently developed township called Cornubia which is better planned and where properties meet all engineering and planning requirements.
- **Transversal Management Pilots:** The World Bank and National Treasury have proposed two pilots to test the Transversal Management Improvement Model for selected indicators; namely; Dealing with Construction Permit as well as the Human Settlement Titling Project due to the diverse implementing departments and stakeholders within these areas of inquiry. Workshops will be held later in the year 2020.

In conclusion, the City has engaged in two (2015 & 2018) World Bank Sub-national Doing Business Surveys as relates to the above mentioned indicators. A repeat bench-marking study is scheduled for 2021. The litmus test for the success of interventions is the 'felt' experience of the targeted private sector audience. Whilst many of the interventions have recorded some level of success, there are many that extend over 2 to 3 municipal financial years and will be realized incrementally. Implementing teams across the four Clusters within the City have noted a step-up in cooperation and realization of desired outcomes. However, this does not come without human resource and fiscal challenges. The eThekweni Executive Management's prioritization of the SNDB Programme has given impetus to the implementation of reforms and together with efficient cross-cluster facilitation of all workplans as well as quarterly monitoring and reporting has also enhanced the implementation of the SNDB Programme.

5.3.2 ECONOMIC DEVELOPMENT INCENTIVES

In order to enhance the growth of the local economy the City has identified financial incentives in the form of a property rates rebate for new investment in the City. In efforts to enhance the City's competitiveness, a combination of criteria to meet key outcomes have been identified. These are intended to catalyze growth in targeted localities, grow investment and support in priority sectors of the economy, promote highly-industrialized technology, stimulate urban regeneration in spatially targeted areas, enable workforce growth, employability, promote transformation, skills transfer and enhance public revenues and enhance the ease of doing business. Aligned to the Spatial Development Framework and the Municipality's Draft Inclusive Growth Strategy 2020-2025 the proposed EDIP also focuses on urban regeneration; and the promotion business uptake in the Transit Oriented Development Nodes.

The Economic Development Incentive Policy, introduced in 2016, gives detail to the eThekweni Rates Policy (Clause 14) and hence, financial legal compliance is necessary. The application process is ongoing. Investor compliance with the built environment legislative requirements is critical. The EDIP property rates rebate incentive is unique to the eThekweni Municipality. The eligibility of a beneficiary does not preclude those who have benefitted from incentive schemes from any other spheres of government.

The EDIP is reviewed annually in consultation with private and public sector stakeholders. Considering the downturn of the economy, the City is proposing a bolder offer of incentives during the municipal financial year 2020-2021 if investors can meet the following special qualifying criteria, namely Investment Value; Jobs Created; Targeted Sector Benefit and Spatial Location of the new industrial, commercial or multi-use developments. An applicant qualifying in one or more of the above may receive an aggregated percentage rebate on their property rates.

During the last quarter the City recorded the impact of the Policy which reflects an estimated R8bn of new investments and approximately R26 million of property rates foregone by the Municipality annually.

5.3.4.1 RED TAPE REDUCTION

Aligned to the Municipality's Draft Inclusive Growth Strategy 2020-2025, the City has engaged robustly with all sectors and has conceptualised its approach to reducing red tape. The Municipality is in liaison with the national Department of Small Business Development and the Department of Cooperative Governance and Traditional Affairs (COGTA) to integrate the City's initiatives to reduce red tape. Currently the Municipality engages in an annual survey executed by COGTA aimed at establishing the efficiency of the supply chain management processes. However, post the development of the imminent National Red Tape Reduction Strategy, the Municipality will proceed with drafting its related Business Improvement Policy.

5.3.3 CUSTOMER RELATIONS MANAGEMENT (KEY CLIENT ENGAGEMENTS)

Entrenching excellence in service delivery to all eThekweni Municipality stakeholders is one of the outcomes of the City Customer Relationship Management Strategy. Big business forms a critical part of eThekweni Municipality's stakeholders. In realising this, the City Manager, as part of the Customer Relations Management Strategy, established a key client engagement process with the City's major revenue generators, in order to improve the Municipality's service offering and explore ways to build and strengthen partnership with them.

The objectives of the key client engagements include:

- Gaining insight on major customers' level of satisfaction with municipal services;
- Exploring ways of building and strengthening relationships between the City and big business;
- Sharing key plans of eThekweni Municipality and developing convergence on the City's development trajectory; and
- Discussing areas of mutual interest on which the City and business could collaborate.

The City Manager appointed several senior managers as relationship managers to the top revenue generators of the City. The role of the relationship managers is to coordinate responses to issues that are raised by their companies. In addition to that the City Manager, through the CEOs Forum, meets with the CEOs of each of these companies on an annual basis to discuss issues that negatively impact on their businesses as well as opportunities for greater collaboration with the City.

In the interaction with the companies it became clear that they often get frustrated in getting complex issues that require the participation of more than one department resolved. Since the key client engagement process, several

complex issues have been resolved or processes are in place to address them. This report will highlight three issues that have been addressed through this process.

Most of the industries in eThekweni are situated at the South Durban Basin. This area is however prone to floods during the rainy season. This matter was raised by Toyota who have a huge plan in the area. The relationship manager assigned to Toyota identified the relevant units within the Municipality and together with Toyota established a task team to look at Estuary Management. The task team meets monthly to, amongst other things, analyse the data collected on tracking points in the rivers and canals. The results are presented at the monthly progress meetings. Furthermore, Toyota has initiated an internal hydrological study to compliment the Municipality's intervention in trying to curb flooding within the area.

The key client engagement process has been able to resolve and fast-track several key projects that strategic partners such as Tongaat Hulett, Transnet and Prasa are undertaking in the City.

The quality of supply with respect to water and electricity has been raised by several companies as an issue. The water and electricity departments have processes in place to address this matter. For instance, the water department has requested and received EXCO approval to redirect funding towards upgrading the old infrastructure that was causing frequent water cuts in the South Durban Basin

5.3 4 INNOVATE DURBAN

Innovate Durban NPC was set up by the eThekweni Municipality to support the innovation ecosystem in the region by promoting innovation amongst all citizens and business. With a special focus on youth, women and stimulating township innovation, innovation is seen as important in supporting radical economic transformation in the local economy.

INNOVATORS: 151 innovators supported across sectors, 2 prototypes developed, 2 businesses established, 2 innovations commercialized

BENEFICIARIES: 90% black; 30% black women; 95% youth

PARTNERSHIPS: 27 partners and a reach of 771 people on our growing database

5 programmes were successfully run viz;

Youth Innovation Challenge: 128 participants, 5 workshops, 8 partners;

Innovator Support Programme: 8 innovators, 5 training sessions, 5 individual mentoring sessions;

Qhakaza Girls Programme: 80 participants, 6 group training sessions 4 mentors;

Yakha Sakhe: 1 event, 14 township youth, 2 participants progressed to the Innovator Support Programme;

Skills Development: 3 Design Thinking Workshops, 32 participants.

The organisation's mandate is to act as a catalyst to stimulate and celebrate innovation in the region. In 2018/2019 **5 projects and events were supported:**

Durban Business Fair: 1300 attendees, local and international businesses, youth, industry stakeholders;

EDHE Lekgotla: 45 academic stakeholders;

Moses Kotane Institute (4IR Conference): 1,200 attendees, Innovators, government, industry stakeholders;

Social Media Week: 600 delegates, influencers, venture capitalists, entrepreneurs and

Creative Coffee Week: 300 attendees, entrepreneurs.

All events provided brand exposure for Innovate Durban, helped in marketing the programmes of Innovate Durban and most importantly provided good exposure for the innovators.

The **Youth Innovation Challenge 2019** – In 2019 we are focusing on the Integrated Rapid Transport Network from the eThekweni Transport Authority and GO! Durban.

The **Pitching Den** - The Pitching Den is a platform for innovators to market and pitch their ideas/innovations to potential investors on a public platform.

The **Innovator Support Programme** - The second cohort of the Innovator Support Programme will take place between July and December 2019 and will include 15 participants.

Innovation Festival Durban – the 5th annual Innovation Festival—IF Durban—aimed at thought leaders, business, entrepreneurs, academia, designers, government, and all innovation stakeholders to explore the latest trends in innovation from both a global and local perspective.

CHALLENGES

There is currently a massive data gap for KwaZulu-Natal as a whole; in addressing this challenge / gap the organisation has increased its focus on research in the 2018/19 year and **4 research projects were initiated viz;** Innovation Publication; Funding Map; Innovation and Entrepreneurship Ecosystem mapping / Snapshot and the Events Calendar.

INNOVATION CO-LAB

Together with partners; Department of Science and Innovation, Software AG, Technology Innovation Agency, and eThekweni Municipality, the first township-based Innovation Centre in Durban was launched on the 4th March 2020. The Innovation Co-Lab is aimed at providing access, for the community, to tools, information, and resources and is designed to empower people to become more innovative in problem solving, create opportunities for new businesses, create jobs, and tackle social issues in the community. This project includes the establishment of the Innovation Co-Lab, and a robust programme of activities that will include training, skills development, and innovation support from prototype development to commercialisation.

The Innovation Co-Lab Launch preceded the Innovation Festival Durban #IFDurban2020 - the 5th edition of the Innovation Festival.

INNOVATION FESTIVAL DURBAN 2020

IF Durban is an annual Innovation Festival aimed at thought leaders, business, entrepreneurs, academia, designers, government and all innovation stakeholders to explore the latest trends in innovation from both a global and local perspective. The Festival created a robust environment and collaborative platform between the public sector, private sector, academia and civil society to engage.

Festival Partners: eThekweni Municipality, Software AG, Yoco, Transnet Port Terminals, Standard Bank, Airos and Independent Media.

The festival is aimed at being a premier gathering charting the way for the 4th Industrial Revolution. The exciting 3-day (5-7 March 2020) Festival was held at The Innovation Co-Lab, Durban (Umkhumbane Entrepreneurial Centre) and celebrated innovation in the city of Durban! The programme included, industry experts, panel discussions, demonstrations, robotic and coding workshops as well as innovation across sectors from grassroots social innovation to groundbreaking firsts!

There was an incredible line up of industry leaders and experts with keynote addresses by Quraish Behari (CEO – Derivco), Nashreen Hofmeester (Customer Success Unit Director – Microsoft South Africa) and Ndazi Nokoane (Head of Transformation - Software AG).

Attendees had the opportunity to experience new technologies, benefit from the exhibition, demonstrations, sign up for robotic and coding classes as well as tinker in the makerspace

5.3.5 INDUSTRIAL REVITALISATION

The Industrial Revitalisation project began in September 2017 and was piloted in three areas in Jacobs, Prospecton and New Germany as indicated in Figure 68 below. At the onset, the project set out to deliver two key outputs viz. a) Urban Design Upgrade Plans for the three areas and b) to produce an eThekweni Industrial Revitalisation Framework. The strategy was intended to guide the revitalisation and upgrade of industrial areas across the City.

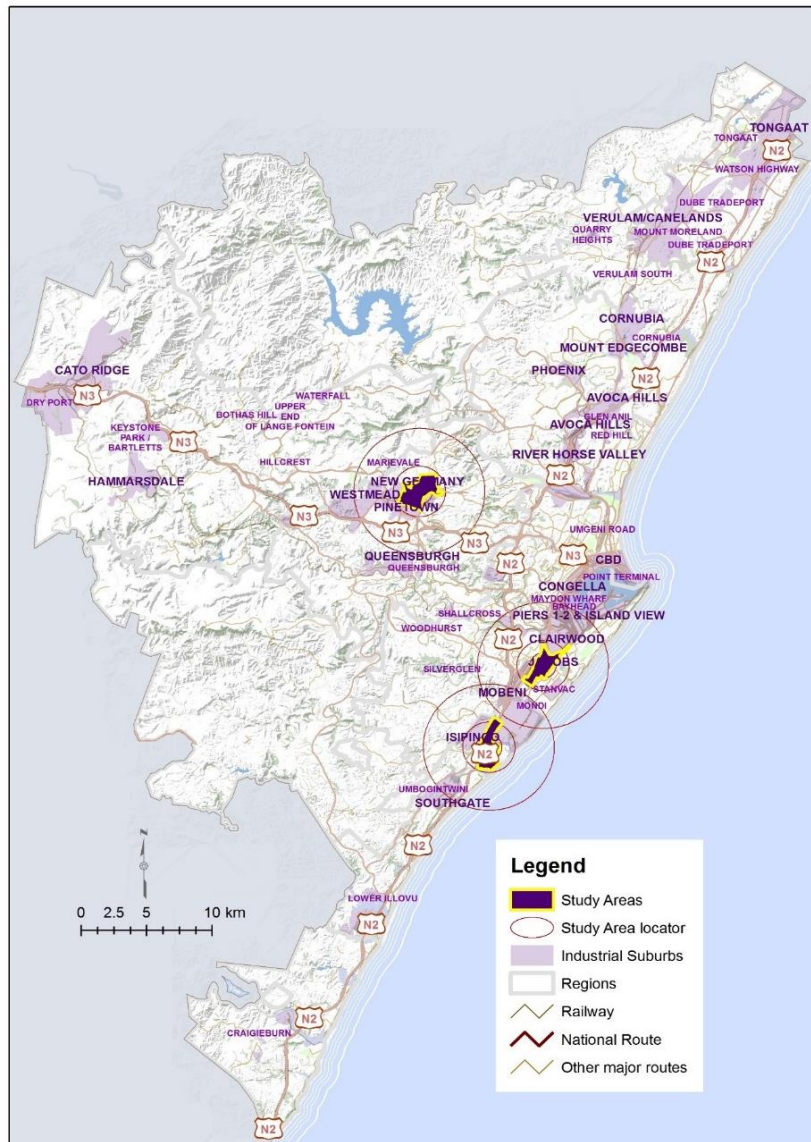


Fig 68 Map showing the location of the three IR pilot study areas

By December 2018, plans that had been prepared include:

- Urban Design Framework and concept plans for priority projects for Jacobs
- Urban Design Framework and concept plans for priority projects for Prospecton
- Urban Design Framework and concept plans for priority projects for New Germany
- The overall Industrial Revitalization strategy report

A draft implementation plan for the three case study areas has also been produced, which lists all the projects to be implemented in each area. However, the plans that have been prepared require that further work be done in order

to devise a strategy to take them forward into the implementation stage in terms of the best institutional approach to use.

5.4 URBAN NETWORK STRATEGY

The Urban Network Strategy (UNS) is a spatial analysis tool that National Treasury introduced to support the spatial targeting agenda. The Urban Networks Strategy is a transit-oriented investment planning, development and management approach. Its focus is on spatial transformation to optimise access to social and economic opportunities for all and especially the poor. It aims to work towards a more efficient urban environment that is enabling for economic growth and development. The UNS has its origins in the township revitalisation programme funded by the Neighbourhood Development Partnership Grant. eThekweni successfully participated in the township revitalisation programme for many years with funds being spent in KwaMashu, Umlazi, Mpumalanga and Clermont. With the transforming of the township revitalisation programme into the UNS, most of the townships were newly categorised as Township Hubs under the UNS methodology and were connected to the Durban CBD via integration zones. More recently eThekweni has decided to align its integration zone directly with the roll-out of the public transport network. This has necessitated extensions to the narrowly defined integration zone as found within the UNS. The UNS elements are well aligned with and are contained within the eThekweni Integration Zone (or Prime Investment Corridor) however a revision of the UNS is needed to align fully with eThekweni plans and this revision will occur in 2018/19.

Within the UNS there is a Primary Network and a Secondary Network and this can be seen on the Figure 69 below.

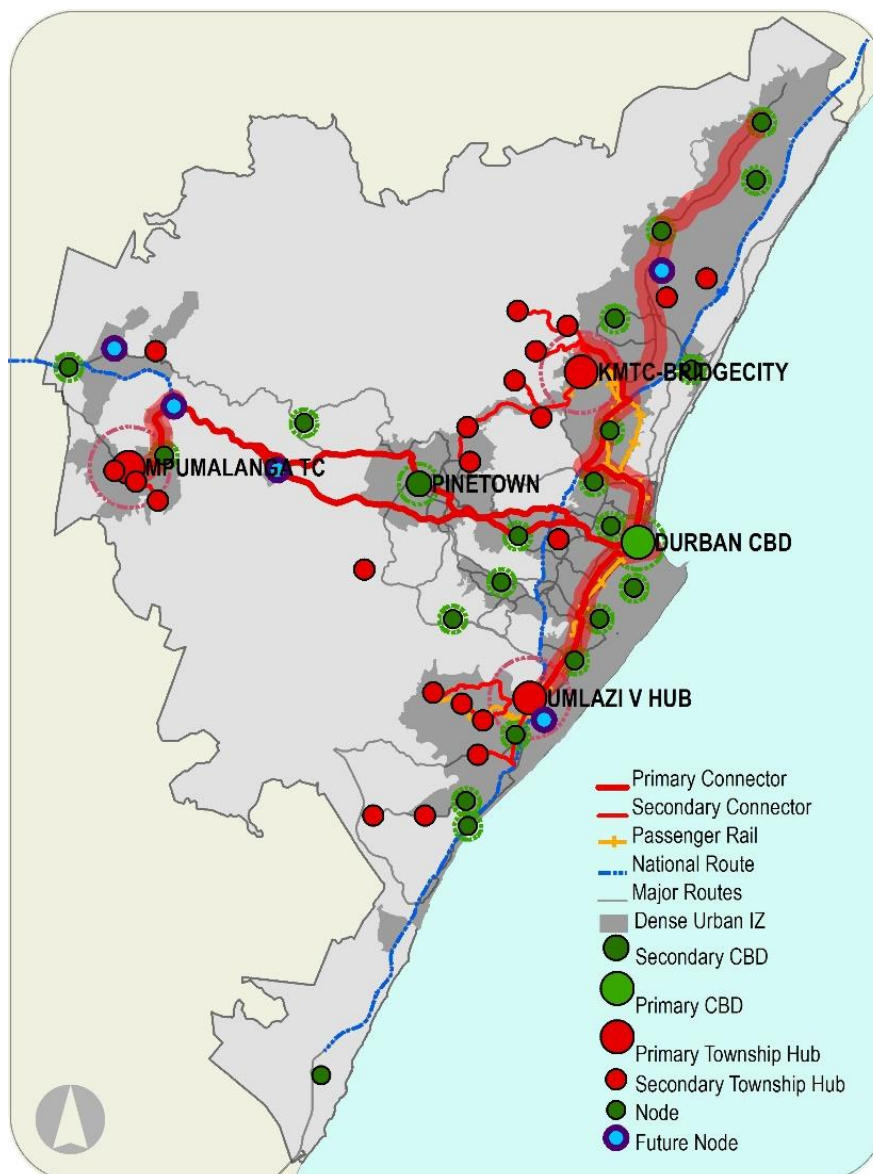


Fig 69 Urban Network Strategy

PRIMARY NETWORK

The Primary Network is at city-wide scale and consists of anchor nodes, i.e. the CBD, a number of Urban Hubs, Public Transport Links and Activity Corridors between these anchor nodes.

CENTRAL BUSINESS DISTRICT

The CBD is the centre of the Urban Network.

PRIMARY TOWNSHIP HUB

Primary Township Hubs are regional nodes in townships. They function as “town centres”. They are intended to be planned and developed as high-density, mixed-use precincts. There are three Primary Township Hubs, namely Mpumalanga, Umlazi, and Inanda-Ntuzuma and KwaMashu (INK) Hub.

At the core of the Primary Township Hub should be an efficient intermodal public transport facility and a system of public spaces. Land uses such as retail, recreation, offices, banking, community facilities and government services, hospitality, tourism, leisure, and high-density housing should ideally be located here.

There should be an Activity Corridor to connect the CBD to Primary Township Hubs. It is a belt of land approximately 2 km wide adjacent to a Primary Public Transport link with a number of corridor nodes. The R102 is the Activity Corridor that links Umlazi to CBD and CBD to INK.

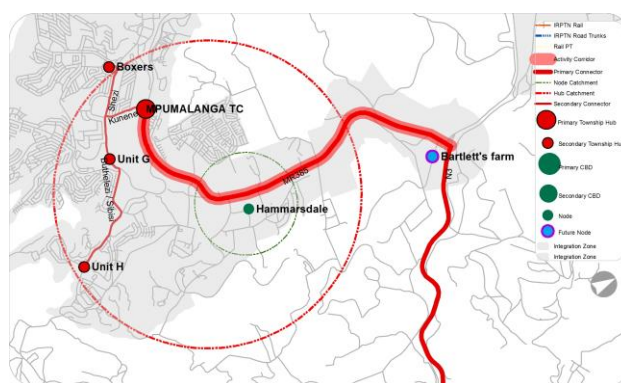
Nodes are regional mixed-use activity centres, like the old town centres of Verulam, Amanzimtoti, and Cato Ridge. The CBD and Nodes are the subject of attention, either via the Catalytic Projects, or the NDPG Program, or via the municipal-funded Urban Renewal Program.

Secondary Township Hubs are mixed-use nodes within township areas and are directly linked to the Primary Township Hub by means of public transport.

A secondary network refers to the network at the scale of the township or of a cluster of townships. It includes the Primary Township Hub, Secondary Township Hubs, and the connections between them as indicated below in Figure 70.



MPUMALANGA PRIMARY NETWORK



MPUMALANGA SECONDARY NETWORK

Fig 70 UNS implementation in Mpumalanga

PROJECT PREPARATION AND IMPLEMENTATION

The study area for the project falls within the Mpumalanga local area, which is located within the Outer West planning region of eThekweni Municipality, approximately 45km west of the Durban CBD. Mpumalanga is one of six local planning areas in the Outer West region. The Mpumalanga area is home to approximately 120,000 people, some of whom are settled formally either in urban villages or townships or on small agricultural holdings, but many of whom are settled informally in transitional, peri-urban and rural areas.

The Mpumalanga local area faces a number of key implementation challenges:

- high levels of socio-economic need;
- limited private sector capacity and investment potential;
- constrained public resources and institutional capacity to deliver integrated projects;
- integrated projects;
- absence of a clearly defined shared vision amongst stakeholders for the development of the Town Centre Plan;
- poorly developed precinct management agencies and tools; and
- lack of publicly owned land with the majority of land under Ingonyama Trust Board ownership.

These issues pose considerable challenges for effective implementation and precinct management and require concerted and strategic interventions from the Municipality and other stakeholders in order to address and overcome these challenges. The implementation approach for the Precinct Plan was based on a number of key tools

and interventions that were considered necessary in order to initiate and/or consolidate development investment spatially in a manner that will generate the structure, character and qualities of an urban hub. This will serve to reinforce the sustainable economic growth objectives in the eThekweni IDP.

PROPOSED LEAD PROJECTS

The following Lead Projects have been identified as the basis for developing precinct project concept plans:

- **Business Hives Centre and Non-Motorised Transport (NMT) /Public Transport Access** - The proposed land uses associated with the business hive have the potential to make a positive contribution to the development of a vibrant town centre use alongside the proposed Civic Services Centre site. Together with the proposed investment in the Civic Services Centre, this will create a significant new local node with the potential to provide the nucleus for the new town centre. Designs and land acquisition have been completed and project currently subject to EIA process;



Kunene / MR385 Intersection Safety Improvements



- **Civic Services Centre and NMT/PT Access** - The proposed investments in the Business Hives and Civic Services Centre will create a significant new local node with the potential to provide the nucleus for the new town centre. The Civic Services Centre in particular will attract significant numbers of people, which in turn can generate opportunities for other support services and business uses in the area. These developments have the potential to provide a high level of management of the area, increased activity and surveillance, improved security, etc. This has the potential to increase private sector confidence to invest in the area and capitalise on the concentration of activity in the area. Designs and land acquisition have been completed and project funding approved by National Treasury for implementation;
- **Kunene Avenue Mixed Use Development and NMT/PT Access** - is an important mixed-use development spine, which together with the Mpumalanga High Street provides the main development axes to structure the growth and development of the town centre/urban hub heart. Kunene Avenue provides important gateways into the town centre from MR385 in the north and Shezi Main Road in the south. The Avenue also provides a key linking element that connects the northern and southern settlement areas of Mpumalanga as well as the shopping centre, sports precinct and proposed rail station. Kunene Avenue has accordingly been identified for development. Project is currently complete; and



- **Mpumalanga High Street Mixed Use Development and NMT/PT Access** - an important mixed use development spine, which together with the Kunene Avenue mixed use spine provide the main development axes to structure the growth and development of the town centre/urban hub heart. Mpumalanga High Street will provide the primary mixed-use development spine within the town centre and an important BRT/PT corridor. The Main Street will link the existing shopping centre with the proposed town centre public park, civic services centre, and business hives centre and future public hospital/CHC. Project has been completed.
- **Mpumalanga NMT Phase 4:** Non-Motorised Transport phase 4 achieves to integrate and link the Mpumalanga Town Centre with adjacent communities. Funding has been approved to commence with designs and implementation.

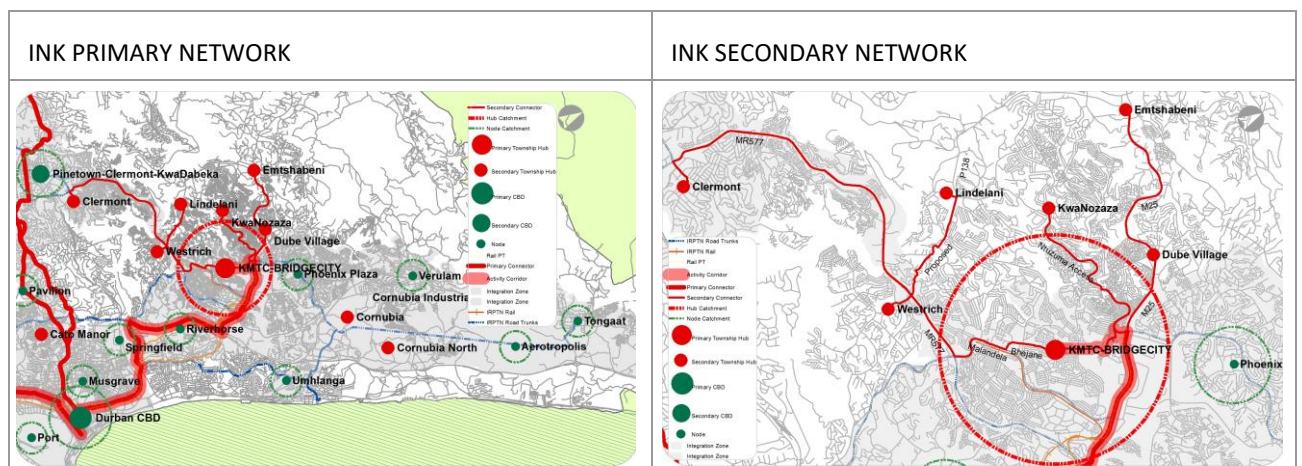
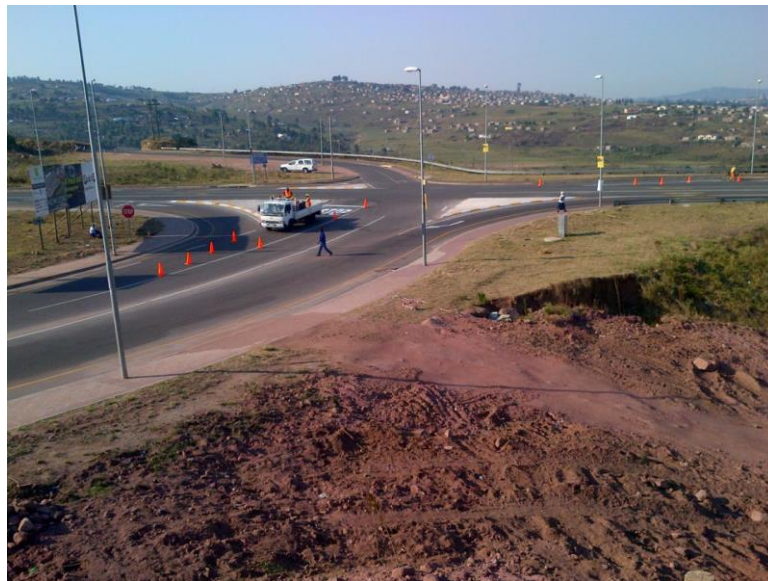
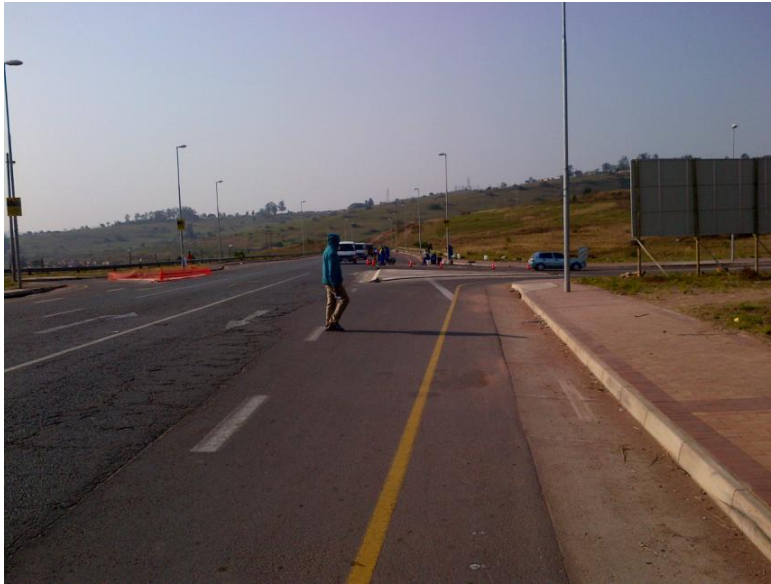


Fig 71 UNS Implementation within Inanda, Ntuzuma and KwaMashu (INK)

LOCAL ECONOMIC EMPOWERMENT

One of the criticisms of the Bridge City Development has been a lack of more opportunities for SMME and local opportunities for the community. In the initial stage of the planning, provision was made to accommodate these activities however the feasibility and market pressure has resulted in these sites being used for other higher order land uses.

In order to address this shortfall, the concept proposes that some areas along Aberdare Drive / adjacent to the Phoenix Highway which are currently utilized for overflow parking, be explored for smaller incubator hives for the community i.e. 3m x6m containers. This would be subject to a detailed investigation into the constraints applicable to the existing pipeline servitude in the area, and the planned BRT C9 corridor.

The current Bester Community Centre area which lies at the doorstep of Bridge City is in the pipeline to be redeveloped for mixed use SMME and incubator hives, as well as enhanced community facilities, possibly including tertiary education / knowledge centre facilities.

SMME opportunities can be explored along the back of the existing shopping centre. This site has the potential to link the upper platform with neighbouring residential areas that are some 2 to 3 storeys lower, whilst providing SMME and informal trade opportunities around public transport at the higher level, with SMME manufacturing along the lower road, and a residential component for surveillance and 24 security. The re-assessment of the existing feeder terminus behind the shopping centre, can pave the way for the introduction of a consolidated informal traders' market, once again linked to public transport facilities.

SOCIAL SERVICE CLUSTER

A recent need and desirability study have been commissioned for a government services cluster / one stop shop within the PINK area. The studies concluded that there is in fact a need for a Government Services Mall in the INK area and that the proposed selection of site 124 of Bridge City was more suitable, other identified sites fell outside of Bridge City in Cross Roads and KwaMashu Town Centre. The City therefore made a decision to purchase this site at a value of R 12 663 750, 00.

The proposed Government Service Mall will be an integrated community development centre, with community participation and services relevant to people's needs. The aim is to empower the poor and disadvantaged through access to information, services and resources from government, non-governmental organisations (NGOs), parastatals, business, etc. enabling them to engage in government programmes for the improvement of their lives.

Typical services found in this centre will include services from the departments of Home Affairs, Labour, South African Social Security Agency (SASSA), Social Development, and the department of Health as well as telecentres, the Post Office, libraries, agricultural extension offices and municipal services. Community Development Workers, the South African Police Service, NGOs and community-based organisations, also part of this development.

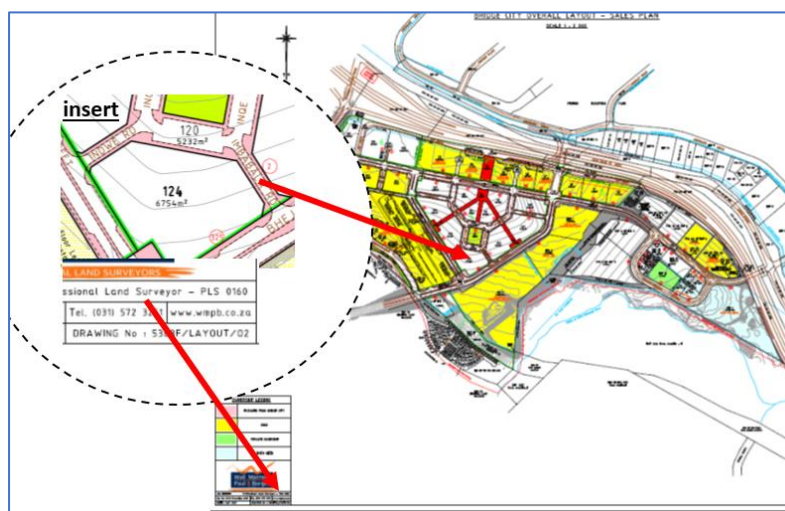


Fig 72 UNS Detailed Implementation within Inanda, Ntuzuma and KwaMashu (INK)

WESTRICH/DUMISANE MAKHAYE NODE

The Dumisani Makhaye Node is one of the nodes identified for development within the broader INK nodes and corridors (Northern Urban Development Corridor - NUDC). The NUDC states that at present there is a backlog of community facilities within the Phoenix-INK local area resulting in residents commuting long distances, spending from the little they have, to get to these facilities (Library, Sizakala centres, clinics, retail centres, etc.).

This node will serve local neighbourhoods within KwaMashu with limited commercial and social services facilities. The retail/shopping development will be integrated with other land uses to create a more mixed-use environments and to increase thresholds for public transport. Assessment of the node revealed that retail can grow up to around 22 000m² (bulk).

The development of the shopping centre has also brought forward the extension of the Newlands Expressway. The Newlands expressway serves both as an access to the IRPTN facility as well as connecting the community of Newlands West with the community of Lindelani. The Neighbourhood Development Partnership Grant (NDPG) has agreed to fund the extension of the Newlands expressway as its construction leverages private sector investment. The estimated cost of this section is R 69 000 000, 00.

Current



Future Development



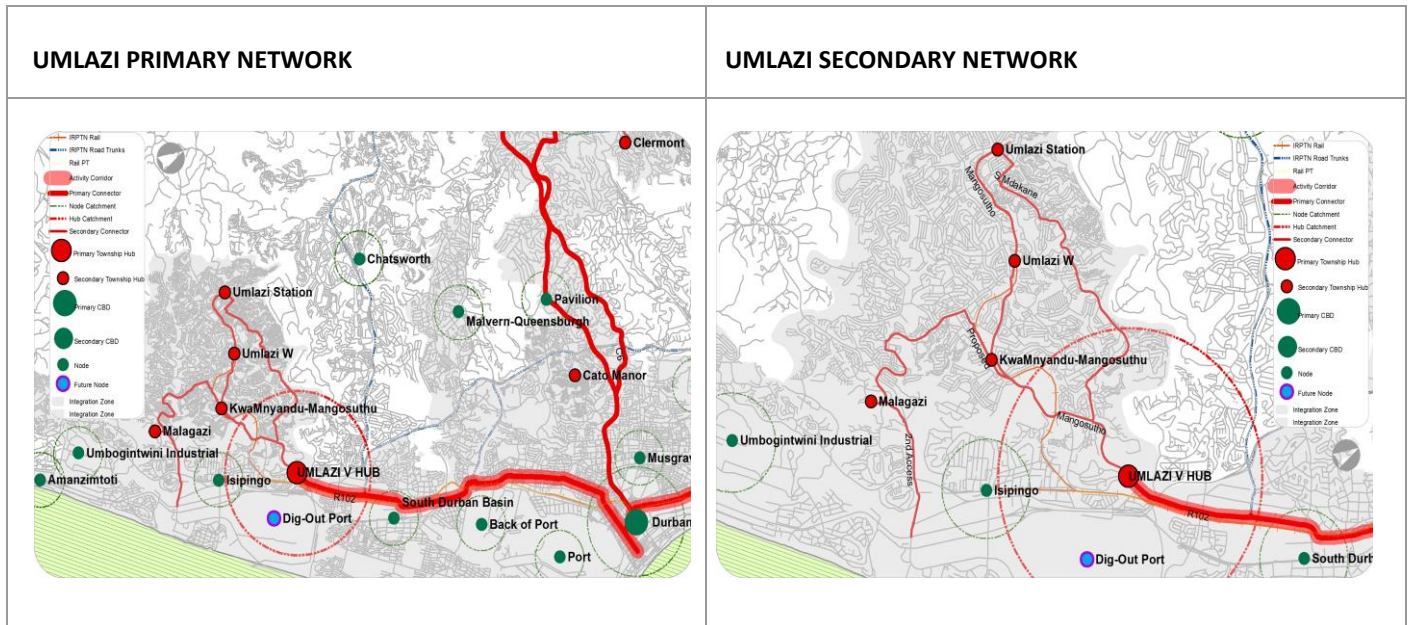


Fig 73 UNS Implementation within Umlazi

PROJECT PREPARATION & IMPLEMENTATION

Established in the 1960's as 'Black' Township under the Apartheid Government, Umlazi is presently the largest township in KwaZulu-Natal and the second largest (after Soweto) in South Africa. Like most townships in South Africa, Umlazi faces a number of challenges that include but are not limited to the following:

- Limited Service Delivery;
- Severe Housing Shortages;
- Informal Settlements;
- Limited Economic development;
- High rates of unemployment;
- High Rates of Crime;
- Limited internal (within Umlazi) and external connectivity (to the greater city region); and
- High Population.

THE URBAN NETWORK STRATEGY

Within the above context, through strategic investment by government, it is then understood that the focus of the Urban Network Strategy is to facilitate the development of a more caring economic space from which a vibrant local economy can emerge.

THE STUDY AREA CATCHMENT (UMLAZI V/REUNION URBAN HUB)

Within this context, the strategic location of the Reunion Study Area can provide job, economic and social opportunities within central and northern eThekweni and the southern and southern coastal areas suggesting that the node (the urban network area) has the potential to serve a significant threshold. This catchment can be divided into three components, viz.

- Primary catchment (primarily Umlazi) where some 405 000 people reside);

- Secondary catchment (including the southern parts of eThekweni) where an estimated 300 000 people reside);
- The tertiary catchment (including most of the Ugu District and beyond) where more than 700 000 people reside; and
- This catchment demarcation suggests an overall catchment for the Study Area of more than 1.5 million people.

Isipingo/ Reunion/Eastern Umlazi is a strategic gateway for nearly 1.5million people residing south of Durban to gain access to the Durban CBD and other parts of eThekweni. Umlazi, an area with a population of more than half a million people have a severely underdeveloped local economy. This requires most residents of Umlazi and beyond to travel to nodes such as Isipingo and the Durban CBD to access retail and commercial services.

Other nodes are accessed for job opportunities. The precinct plan report considers, based on preliminary layout plans, consider the bulk provision to be made for various economic uses in the Reunion component of the Urban Network System. The economic uses considered for location in the node include:

- Small business and informal economy;
- Retail and related services;
- Services;
- Commercial/ office development;
- Manufacturing/ logistics; and
- Residential.

THE SPATIAL ECONOMIC VISION

The Spatial Economic Vision for the future development of the Umlazi Urban Network System, and the Reunion component thereof specifically, is then:

To create an urban nodal network that will provide southern eThekweni and South Coast residents with access to a full range of economic services and opportunities, located in a vibrant and dynamic node, linked to an efficient urban network system.

The proposed vision and the recommendations following on from this is based on a sound regional economic logic. The basic arguments for the approach include:

- The reality of a growing and densifying population (local and regional catchment);
- An existing situation that nodes cannot appropriately cope with current and future demand for social and economic services;
- The continued unsustainability of existing transport arrangements (i.e. distance residents and commuters must travel to access services); and
- The strategic location of Reunion as a Gateway between Umlazi/ South Durban and CBD/ North and West Durban. Current urban transformation processes present opportunities for the Reunion Node, forming an integral part of the Umlazi V Urban Network, to be established as an Economic Gateway to eThekweni. The Economic Gateway will provide:
 - A strong Services Node;
 - A centre for Job Creation;
 - Offering Alternative Retail opportunities; and
 - High Density Housing.

NODAL STRUCTURING ELEMENTS

Each of these nodes have a varying degree of land uses, fostering an economic impact.

REUNION – FILLING THE GAP

The Reunion node presents an opportunity to fill an economic gap by allocating appropriate land uses that support each other, enhancing the overall economic growth within Reunion, Umlazi and the 'proposed/ future dig-out port' zone. The most dominant land use proposed for this zone is logistics, in support of the nodes context, specifically the 'proposed/ future dig-out port', and freight corridors (N2 connecting to N3). The next dominant land use is mixed use, followed by commercial and then residential. These land uses tie in with their surroundings, however here mixed use will serve as a catalyst for densification with commercial uses found at ground level and high rise residential above. Commercial uses will ultimately serve pedestrians and residents within and extending out of this vicinity. The planning for the proposed concept below is in progress.

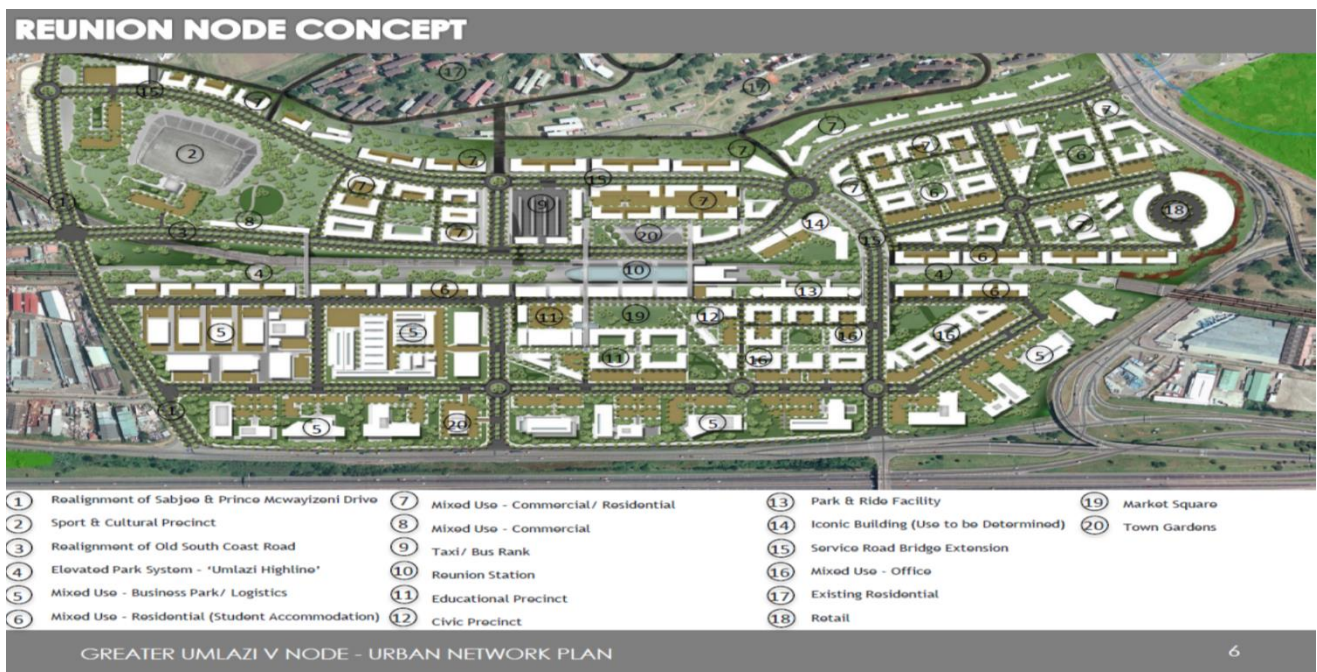


Fig 74 Reunion Proposed Concept Plan

EZIMBUZINI – ALTERNATIVE ENTERPRISE DEVELOPMENT

Ezimbuzini has been identified as an 'Alternative Enterprise Development' node. As a result of its existing structure and the catchment, Ezimbuzini services an array of economic uses. Locals provide various services to the community, ranging from housing materials, food supplies, livestock and herbal medicine. It is therefore proposed that the dominant land use for the area is mixed use complimented by open space associated with the large sports complex. Residential development is also located in this node, which consists of both informal and formal residential clusters. It was then established by EDU that the construction of the Ezimbuzini Auto Hub and Informal Traders Stalls were a need and Feasibility Study and Business Plan was done. This feasibility study created a comprehensive justification for the project and served as a living document against which project deliverables are measured during construction and implementation of the project. The implementation stage will require a business plan that communicates (i) institutional structure, (ii) systems development and (iii) day-to-day management. Below are the progress pictures of the projects.



Complete Umlazi Auto Hub (Phase One) - R22 000 000.00



Complete Umlazi Auto Hub (Phase One) – R22 000 000.00



Complete Umlazi Auto Hub (Phase One) - R22 000 000.00



Ezimbuzini Informal Traders Stalls (Phase 2) – at Sub-Structure level – R19 000 000.00



Ezimbuzini Informa Traders Stalls (Phase 2) – at Sub-Structure level – R19 000 000.



Ezimbuzini Informa Traders Stalls (Phase 2)

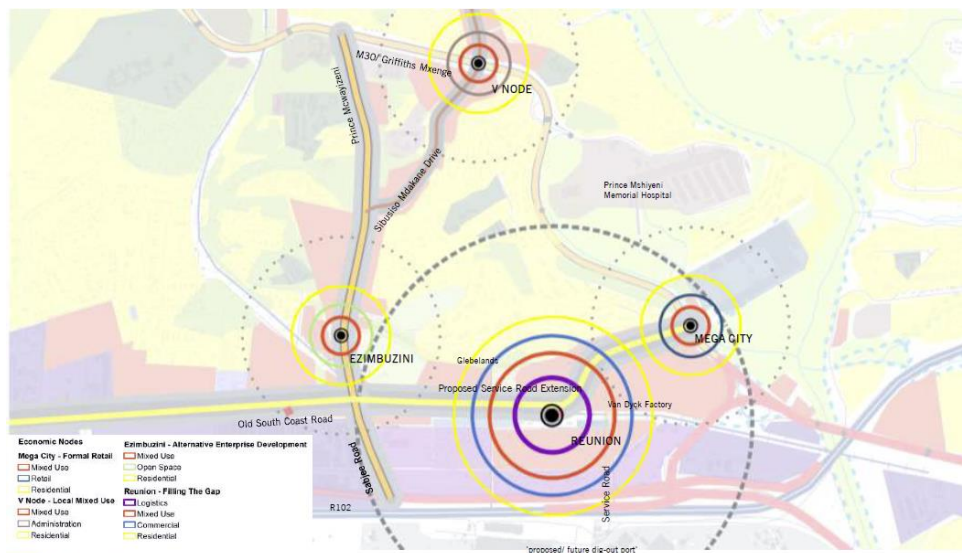


Fig 75 UNS Implementation in Umlazi

MEGA-CITY – FORMAL RETAIL

The Mega City node is identified as formal retail attributed to Mega City mall. However, the dominant land use within this node is mixed use due to adjacent uses. The second dominant use is the shopping complex followed by residential, comprising of the hostels.

UMLAZI V NODE – LOCAL MIXED USE

Umlazi V node is a local mixed-use node due to the various businesses in this area (offices, retail, informal trade, restaurants and a garage). This interceptory point is busy and vibrant. In addition, a strong presence of administrative uses is available referring to the magistrate court and police station. Umlazi V Node also consists of a mix of both formal and informal residential facilities.

5.4.1 PRIMARY AND SECONDARY URBAN NETWORK & ECONOMIC NODES

To respond to both the fact that the formal housing programme is taking too long to respond to the housing need as well as the urgent need for improved access to urban opportunities, eThekweni will prioritise those human settlement projects that are well located and where intervention could make a significant contribution to spatial transformation. In parallel, the Municipality will provide incremental services to the tens of thousands of families living in informal structures in the less well-located and usually suburban locations. This kind of strategy is beginning to emerge at national level as well.

6 STRATEGIC OVERVIEW OF DEVELOPMENT RESPONSES: Institutional & IGR

6.1 INSTITUTIONAL ARRANGEMENTS & INTER GOVERNMENTAL RELATIONS

6.1.1 CITY SUPPORT PROGRAMME FORUM - COMPOSITION AND REPORTING

eThekweni has a City Support Programme Forum chaired by the Chief Strategy Officer and attended by senior staff from Planning, Human Settlements, Economic Development, Catalytic Projects, Transport, Water Services, Roads, Social Sectors, Treasury, and the Strategy Office. The Forum is served by a part-time Secretariat comprising one senior manager as well as part-time BEPP representatives from each sector. The City Manager is periodically briefed on the progress of the Forum.

The Forum members input and review the work of the Secretariat on the identification of the UNS and IZ's, the itemising of the ICDG budget, compilation of the CSIP and presentations to NT as well as discuss issues of a strategic and cross-cutting nature across all key built environment departments.

The next steps regarding the Forum is to formalise its terms of reference and its status as a Collaboration Forum designed to support horizontal integration between municipal line departments. The current work stream within the CSIP dealing with transversal management will be drawn on in this process. Having a formally adopted membership and the provision of additional capacity for integration type work, will improve the operation of this Forum and the quality of the BEPP going forward.

6.1.1.1 CITY SUPPORT PROGRAMME FORUM SECRETARIAT

The Secretariat needs additional resources. There is currently one part-time senior manager, but permanent staff and access to panels of professional service providers is urgently required to speed up the production of work in support of the BEPP. The Office of the Chief Strategy Officer has an organogram currently in process of formal adoption which identifies resources to deal with the BEPP and spatial budgeting.

6.1.2 INSTITUTIONAL ARRANGEMENTS FOR CAPITAL PROGRAM MANAGEMENT

As shown below in Figure 76, the Strategy Office of the Municipality provides for a range of functions including Programme Management, Infrastructure Asset Management, Spatial Strategy and Sustainable and Resilient City Initiatives. All these functions will be driven across the municipality with collaborative arrangements across all relevant Units and Departments.

The Programme Management structure provides for Construction Category Management, Standard Documentation and Implementation Planning.

Construction Category Management is intended to identify the programmes and portfolios, undertake spend and ease of supply analyses and to make recommendations on appropriate procurement strategies for each programme and portfolio.

Standard Documentation is intended to ensure that the procurement strategies are backed up by appropriate documentation to give effect to these strategies. This Department is intended to be a best practice hub also dealing with knowledge and change management. The intention is to ensure that, wherever possible, standardised documentation is utilised. This function will also provide training to Line Departments on how to compile procurement related documentation.

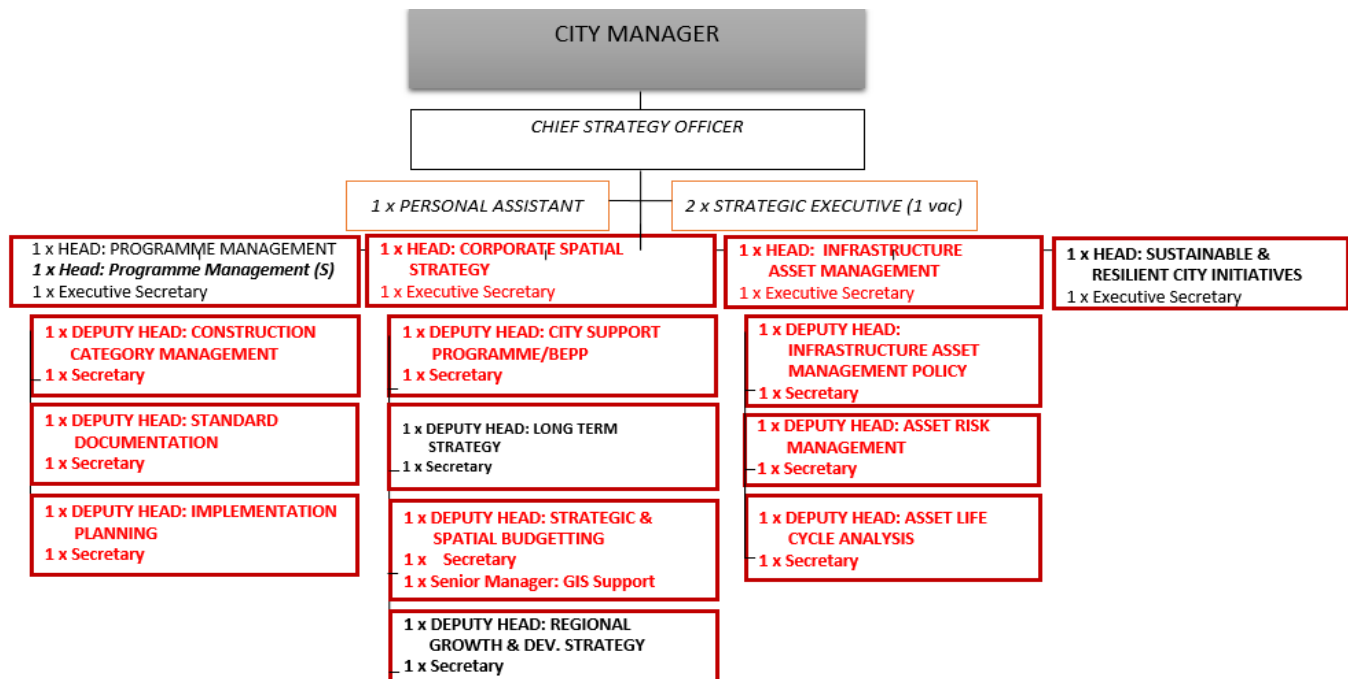


Fig 76 Propose Organogram for the Strategy Office

Implementation Planning is meant to deal with pre-implementation support by ensuring that project and programme pipelines are created and that all relevant actions and decisions relating to these pipelines are timeously taken to ensure smooth implementation. This Department will also deal with programme and project oversight, strategic programme delivery management, programme financial control and integrated programme controls. Currently an integrated roadmap is under preparation which looks at the critical milestones and their inter-relatedness for the planning, budgeting, reporting, performance management and Infrastructure Asset Management processes. The intention is to ensure firstly that these important activities are treated as ongoing processes rather than events and secondly to ensure that all activities upstream of the milestones are identified and properly planned for.

The Corporate Spatial Strategy structure provides for Long Term Strategy, City Support Programme/BEPP, Strategic & Spatial Budgeting and Regional Growth & Development Strategy. The Long-Term Strategy function will produce the IDP and the thematic prioritisation thereof as well as managing long term scenario planning and ensuring that potential risks such as climate change, energy and water scarcity, inadequate economic and employment growth, social instability and urbanisation and other demographic changes are addressed. The City Support Programme/BEPP will deal with the production of the BEPP and the other requirements of the CSP programme being driven by National Treasury including the CSIP and built environment indicators and will fulfil the role of eThekweni CSP co-ordinator. The Strategic & Spatial Budgeting function will implement a GIS-enabled spatial budgeting tool to drive municipal budgeting, facilitate and co-ordinate the analysis and integration of, and reporting on, grant funds and implement the Municipal Services Financial Model (MSFM) as a strategic non-spatial budgeting tool. The Regional Growth & Development Strategy function will deal with inter-governmental relations & partnerships required with provincial (including the PGDS) & national departments, state-owned enterprises and adjacent municipalities and will promote joint planning & implementation of infrastructure (engineering and social) across all the relevant municipal, provincial and national departments and manage a land banking programme.

The organogram for the Strategy Office has been approved by the Unit Labour Forum and is being submitted to the Executive Committee of the Municipality for approval. Resourcing will commence thereafter subject to the availability of funding.

Whilst this institutional process is underway a firm of consultants have been engaged to assist with a conceptual design of a Programme Management Office. This work has commenced and is scheduled for the next 3 months.

To ensure critical system support, the City has also undertaken a business needs assessment relating to software support. In conjunction with the upgrade of the current Enterprise Reporting System, it is envisaged that a recommendation will be made to the ICT Steering Committee re an appropriate Project and Programme Management module. Together with other related

modules, this will ensure maximum visibility across the pipeline from concept to divestment for a range of stakeholders including management, community and other stakeholders.

The CSP programme has also been requested to assist the City with a Transversal Management study to ensure that the critical collaborative structures are backed up by appropriate performance management and other systems to ensure their effectiveness beyond the goodwill and passion of individuals. The Matrix Management assessment of eThekweni has been completed together with a 3-day boot camp with senior management, and eThekweni is entering the next phase of this work which is to identify workstreams where more detailed assessments can be undertaken, and transversal management principles and procedures can be institutionalised.

Critical areas identified for Transversal Management are shown in Figure 77 below.

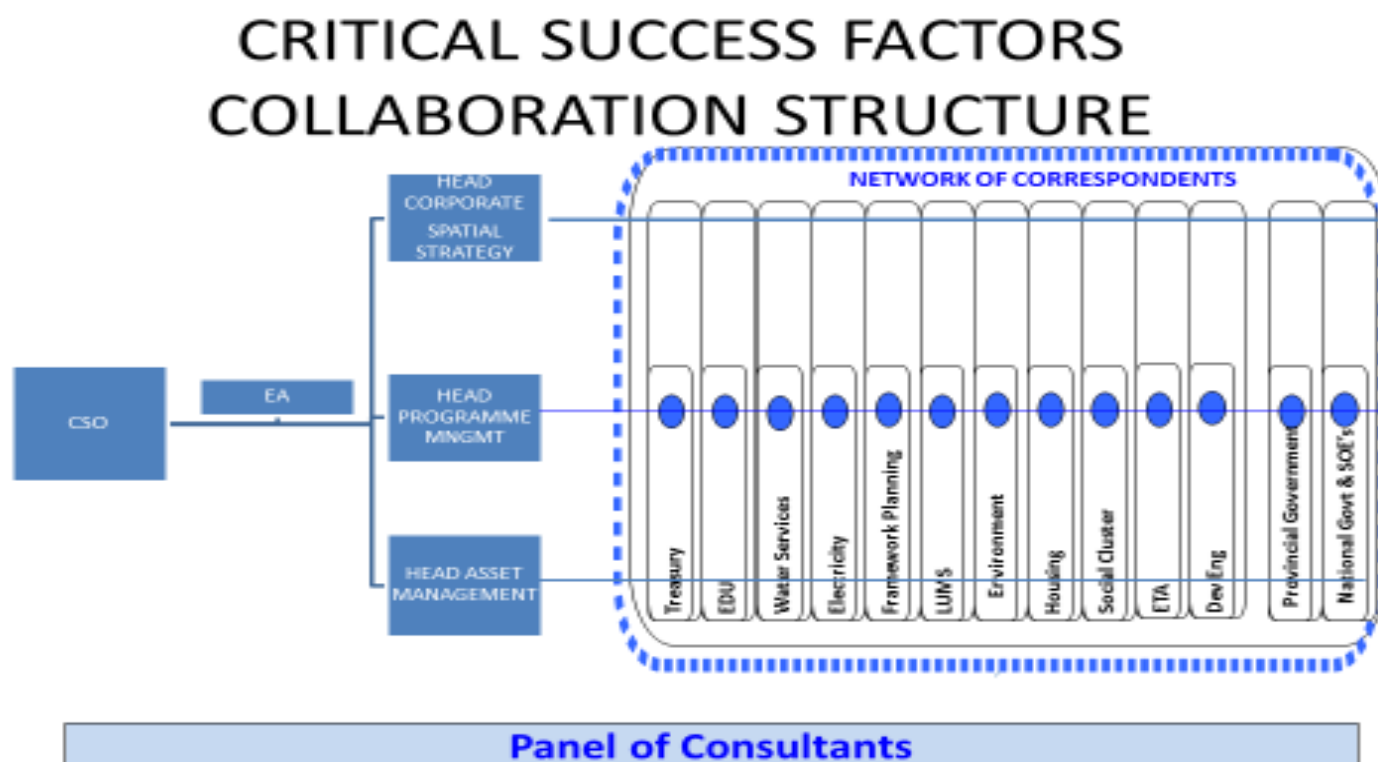


Fig 77 Collaboration Structure

In the interim eThekweni has a capital monitoring collaborative forum chaired by the City Manager which monitors the capital spend of the municipality, and which also monitors a key precursor to spend, namely the procurement process. This is supported by a software tool which captures spend and key activities. Weekly budget meetings with multiple service units, to coordinate spend, procurement, and related processes take place.

The City Manager's office is also monitoring the "Top 150" capital projects. These projects have been selected because of their budget quantum and-or because of their urgency. The Top 150 follows a similar process. As discussed above, in parallel, the municipality is preparing itself to implement CIDMS, which is concerned not only with spend and procurement, but also with the remainder of the project cycle and with comprehensive program management.

Significant progress was made this year with the development of a single corporate spatial strategy as part of the Capital Budget process. Historically, service units determined their own budgets with loose reference to the IDP/SDF/BEPP. An intention of the single spatial strategy is to ensure the conscious and corporate selection and prioritisation of programs and budgets in order to achieve spatial transformation and higher economic growth through implementation of SDF priorities.

6.1.3 PARTNERSHIPS

Partnerships with other government departments covers planning, project implementation and to a limited extent, operations. There is generally a poorly developed partnership on the planning side and this frustrates the development of a strategic pipeline of the right projects in the right areas and it frustrates the ability to make transformative changes to communities since municipal delivery needs to be complemented by delivery of national and provincial level infrastructure items and other types of products.

Most of the engagement with national and provincial departments remains at project level where these departments require assistance from the municipality or the municipality requires an investment in a specific geographic area and engagements focus at that level. However, there are a number of fairly recent green shoots developing in this regard.

6.1.4 PROVINCIAL INFRASTRUCTURE REPORTING MODEL (IRM) & INFRASTRUCTURE MASTER PLAN

The above model that has been implemented by the KZN Provincial Treasury has taken provincial budgeting a huge step forward and has the potential for significant integration of provincial budgets to achieve provincial outcomes. This model has benefitted eThekweni in that it has facilitated access to more of the provincial budgets and has started a process of budget mapping. eThekweni welcomes the opportunity to forge closer relationships with the province with a view to partnerships on joint planning, budgeting and implementation. The benefit will be significant for both parties.

Another area of great potential collaboration with the Province is around the KZN Infrastructure Master Plan. A few meetings have been held between eThekweni and the Province and we look forward to taking integrated infrastructure planning forward jointly with the Province.

6.1.5 SOCIAL FACILITIES: MUNICIPAL, PROVINCIAL & NATIONAL ENGAGEMENT

6.1.5.1 MUNICIPAL FACILITIES

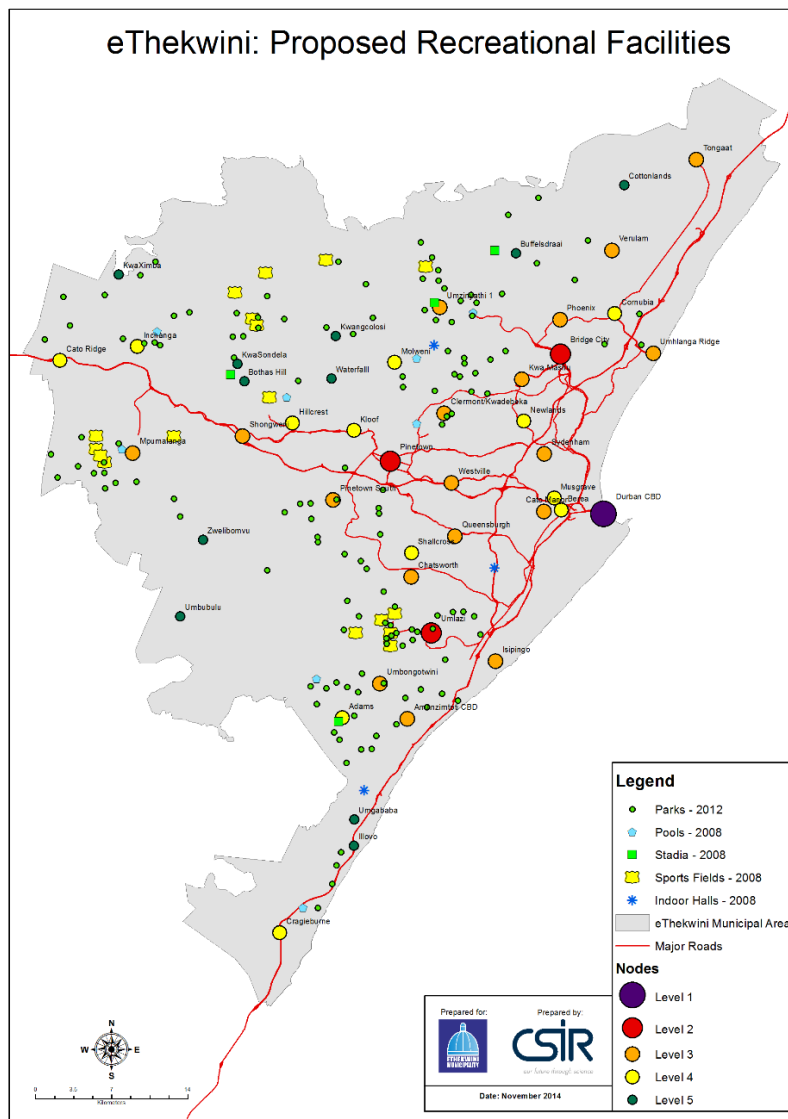


Fig 78 Social Facilities – Access Modelling

The eThekweni municipality has undertaken accessibility modelling of social facilities as indicated in Figure 78 above, from as far back as 2001 and as such is a leader in this field across the metros. The purpose of this modelling work was to bring a scientific and evidence-based method to the determination of the quantum and spatial location of social facility backlogs across the full spectrum of social facilities. For all municipal level, social facilities eThekweni has a backlog eradication plan that it is implementing- this can be seen below. A hierarchy of social facility nodes has been developed (using catchment analysis techniques) and this acts as a spatial frame for co-ordinating all investment in social facilities. The clustering of local, but especially higher order facilities in accessible development nodes will be promoted to benefit residents who can make a single trip to access a range of services. Clustering a range of facilities will mean that more people will visit the social service node which in turn can promote small business opportunities. The clustering of facilities also creates the opportunity for sharing of services, such as ablutions, parking and security etc. Clustering and multi-use of facilities is a principle adopted by both the municipal Architecture Department as well as the national Department of Public Works.

6.1.5.2 NATIONAL FACILITIES- PARTNERSHIP WITH DEPARTMENT OF PUBLIC WORKS

At national level eThekweni was part of the report by the national department of Public Service & Administration titled “Geographic Accessibility Study of Social Facility and Government Service Points for the Metropolitan Cities of Johannesburg and eThekweni” (2011). This report captures the backlogs of national social facility departments and eThekweni would like to engage with these national departments with a view to implementing the proposals made by this report, which can be viewed in the Figure 79 below titled “eThekweni Social Facility Integration Plan”. From a BEPP perspective the priority social facility

projects would be those that fall along the major public transport corridors and related catalytic projects and urban network strategy elements. Apart from the eradication of historical backlogs, social facilities are required to serve areas of new growth as well and these are the subject of a study that is in the process of being initiated.

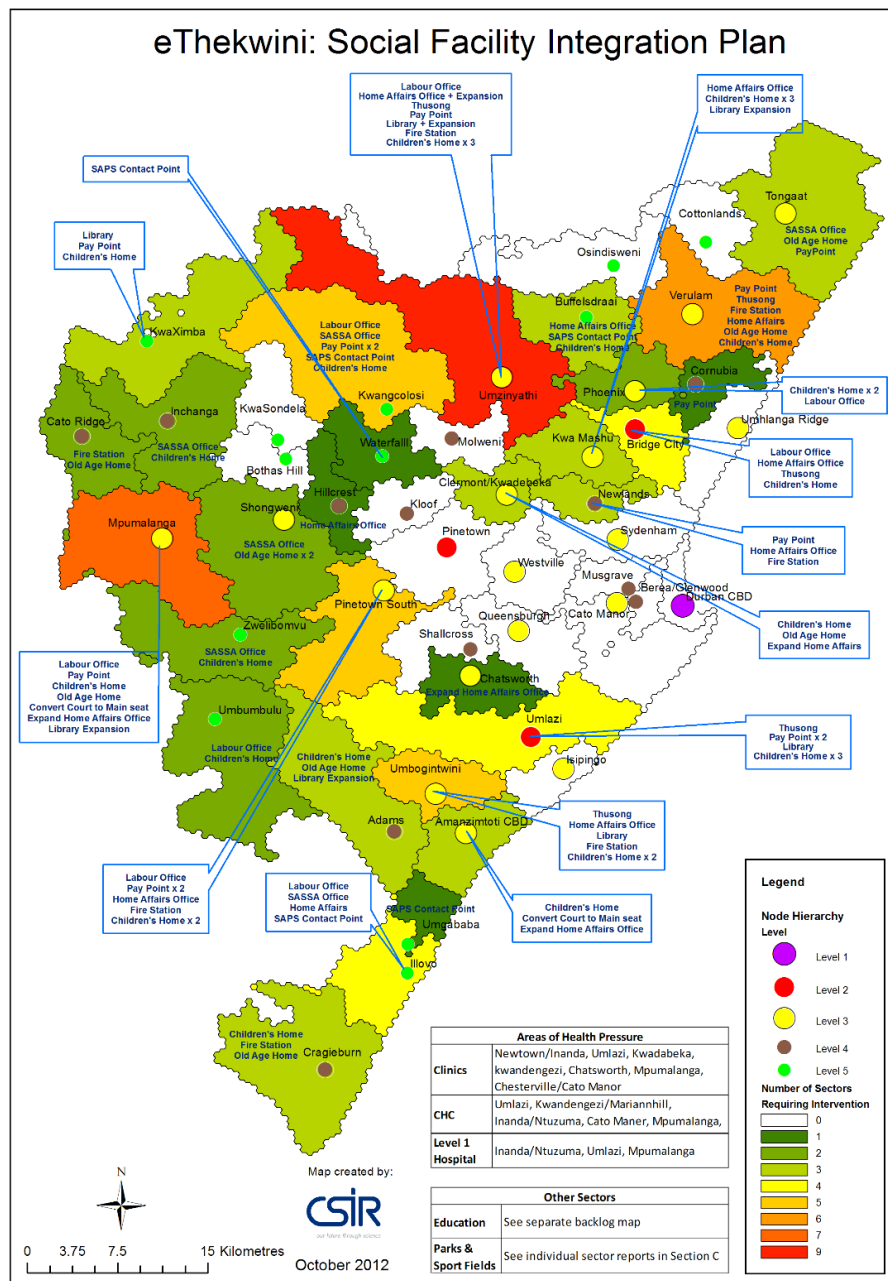


Fig 79 Social Facility Integration Plan

As recently as the 2016/17 midterm budget review process held in February 2017, we were approached by the national department of Public Works (DPW) to initiate a partnership to assist them with a significant proposed investment in the Durban Inner City Centrum that DPW are co-ordinating on behalf of national social facility departments. This falls within the Planning & Precinct Development Programme of DPW which is creating government precincts through an approach premised on spatial targeting and fostering the clustering and multi-use of government buildings. This is another example of good IGR which we are supporting.

The current budget allocation to eThekweni is captured in Table 29 below and all the projects are well aligned with the eThekweni priorities as they reflect a major investment in the Inner City which is one of the municipal Catalytic Projects within the Prime Investment Corridor.

EXISTING URBAN PRECINCTS – Metro's							
eThekweni Inner City							
City/Town	Total lease portfolio (m²)	Extent of development (m²)	Site enablement Budget (R)	Service construction start date	Indicative EPWP Job creation figures (Site)	Project budget (R)	Project Implementation timeframe
eThekweni	90 429						
Security Precinct		47 409	R16 million	2019	106	R853million	2021
Centrum Precinct		52 460	R40 million	2022	260	R944million	2021
Court		28 526	R10million	2019	66	R513million	2021

Table 29 Inner City Budget Allocations

6.1.5.3 PRIORITISATION METHODOLOGY:

The DPW have committed to supporting eThekweni in the implementation of its SDF and BEPP in so far as national social facilities are concerned. The facilities being built by these national departments tend to be higher order facilities (such as Thusong Centres, Magistrates Courts, Home Affairs Offices etc) and they attract large numbers of people and as such are key pieces of the built environment that, if built in the right places, have a transformative capacity. Prioritisation is always a key undertaking and DPW has agreed to allocate the budgets for which they are the implementing authority in a manner that prioritises according to the following principles:

- **Principle 1:** Prioritise social nodes along the first phase of the integrated public transport network (IPTN)- the C2, C3 and C9 transport corridors (as new public transport corridors are phased in, they will be brought into the prioritisation method). Public transport corridors are a priority in the eThekweni IDP, SDF and BEPP;
- **Principle 2:** Prioritise social nodes according to their ranking in the node hierarchy starting with Level 1, then Level 2, then Level 3 etc. The higher the ranking of the node, the more people are served by that node. The principle of equity is therefore being applied. The detailed list of nodes together with their catchment population statistics will be used to prioritise between nodes;
- **Principle 3:** Project readiness or rather 'node readiness' will be factored in, in the following way. If a node is next on the list of priorities but does not have the necessary detailed precinct plans completed, then in this round of budgeting it will be skipped-over in favour of the next node on the list which does have the necessary plans completed; and
- **Principle 4:** An integrated social facility cluster is preferable both in geographic terms (clustering on the same site or in close geographic proximity) as well as in implementation terms (implementation of a cluster of facilities within the same year or within a year of each other to make a bigger impact).

The application of Principles 1 & 2 produces the following list of priority **Urban Nodes** in descending order of priority:

1. Durban CBD;
2. Bridge City;
3. Umlazi;
4. Pinetown;
5. Kwa Mashu;
6. Phoenix;

7. Clermont/KwaDabeka;
8. Umhlanga Ridge; and
9. Cornubia.

This is a further reflection of an evidence-based planning method that will inform resource allocation going forward and that will allow for co-ordinated and intensified investment of social facilities in areas with excellent geographic service coverage as well as high levels of utilisation (footfall).

6.1.5.4 PROVINCIAL FACILITIES

At provincial level, there have been many efforts over the years to achieve alignment of planning, budgeting and implementation but this has, until recently, delivered limited results. Some progress has been made recently at the strategy level with the Provincial Treasury Infrastructure Reporting Model on the sharing of MTEF allocations for some provincial departments which is allowing eThekweni to understand how provincial departments intend intervening in our space. The Figure 80 and Table 30 below shows the budget allocations and grant proportions which indicates that eThekweni is being allocated fairly high levels of the provincial budget with the exception of Roads maintenance

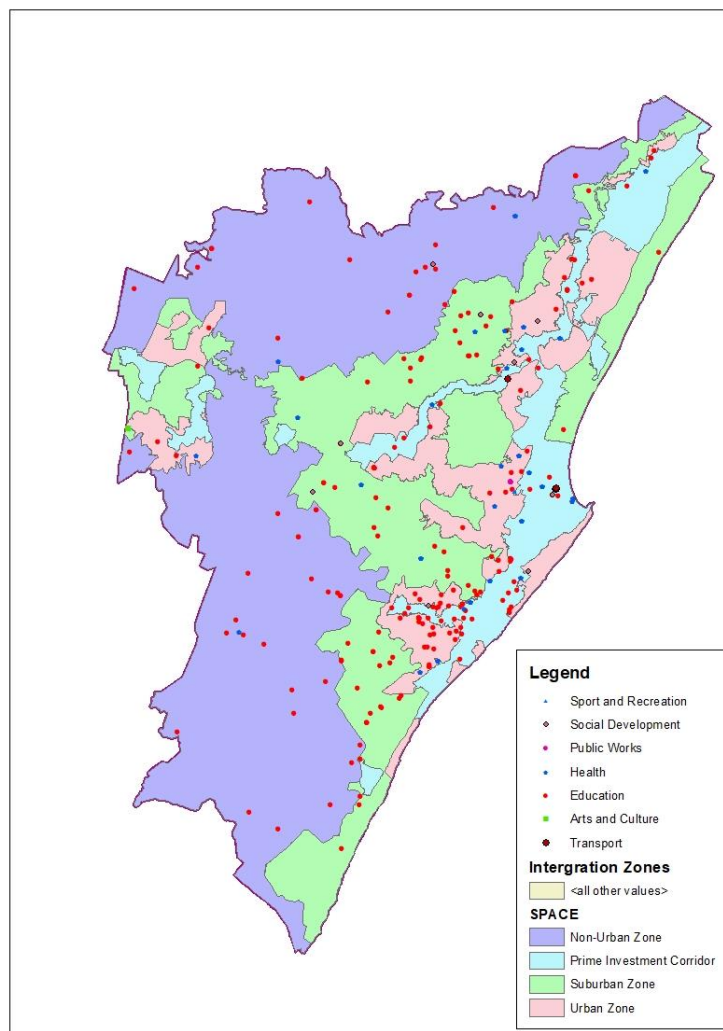


Fig 80 Budget Allocations of Provincial Projects

Corridor	Nat/Prov Department	Project Budget
PIC	Department of Justice	1,017,863,747
PIC	Social Development	68,000,800
PIC	Transport	1,122,366,897
PIC	Education Facilities	385,157,203
PIC	Health Facilities	5,620,826,904
PIC	PRASA	153,000,000
Total		8,367,215,551

Table 30 National Provincial Project in the PIC

The spatial distribution of the budgets that we were able to access with co-ordinates, is shown in Figure 80 above and it reflects some concentration of budgets around the Prime Investment Corridor which is focused on the public transport corridors. However further interrogation is required and we need to move from a situation of being a passive recipient of provincial budgets to being an active participant in the planning so that we can align the necessary eThekweni budgets spatially and temporally in support of improved outcomes. The DDM process gives the city a better opportunity to influence spatial budgeting and prioritization for Sector Departments.

6.1.5.5 EDUCATION FACILITIES

Currently there is a huge backlog of Grade R, Primary and Secondary school access within the municipality (as established by the 2011 accessibility study undertaken by the national Department of Public Service & Administration) and this has existed for many years which indicates that there are capacity and/or resource constraints within the Department of Education which hinder its ability to address this at scale. Below in Table 31 is the Education Department budget for eThekweni which shows that the backlog is being addressed at a very slow pace given the scale of the need.

Sector	Investment Zone	Budget
Education Facilities	Prime	385,157,203
Education Facilities	Urban	504,659,580
Education Facilities	Suburban	1,248,357,733
Education Facilities	Rural	479,433,065
Total		2,617,607,581

Table 31 Grant Allocation

Given the importance of education the municipality intends engaging further, via the CSP process, with the Department of Education to identify what the broader Education Strategy is to turn around the education system and how the municipality is best placed to support this process.

Currently the municipality is expanding its incremental services programme to pilot Early Childhood Development (ECD) initiatives within informal settlements as a way of supporting early education outcomes.

At an operational level, there is an existing Memorandum of Agreement (MOA) with the Department of Education (DoE) whereby eThekweni acts as Implementing Agent on infrastructure at schools (the municipality is involved in building ablutions at many schools on behalf of the DoE and has designed, and will soon oversee the construction of, an entire school within Cornubia) and on the management of school's sports fields and libraries, as after-school-hours community facilities. The implementation agency and the management arrangement on school sports fields are not general throughout the city, but rather on a case by case basis (such as in Cornubia currently). Innovating around new models of service delivery takes consistent effort over many years to bear fruit. This is an area that requires some dedicated transversal capacity in order to achieve further results. Given the crucial role that education plays in transforming society, this is a critical area for further engagement. The innovation around the clustering of social facilities at schools and the after-hours use of the school library and sports fields not only creates savings in capital but has a significant positive contribution to the achievement of higher net residential densities within communities and as such contributes to spatial transformation.

6.1.5.6. HEALTH FACILITIES

Currently there is a huge backlog of primary health care facilities within the municipality (only 56% of residents having access to health services within the standard). This situation has prevailed for many years and this indicates that there must be capacity and/or budget issues within the Department of Health (DoH) that is hindering its ability to deal with the backlogs rapidly. Recent budget figures indicate a substantial increase in health budgets allocated to eThekweni and what is more, most of these budgets are concentrated around the Prime Investment Corridor indicated in Figure 81 Below. which shows an allocation of R3.5 bn out of a total allocation of R4.4 bn over the MTEF. This is a very positive development. A joint planning & budgeting project has recently been started between eThekweni and the Province to deal with the issues of national core standards implementation, asset condition of health facilities and budget prioritisation in a collaborative manner.

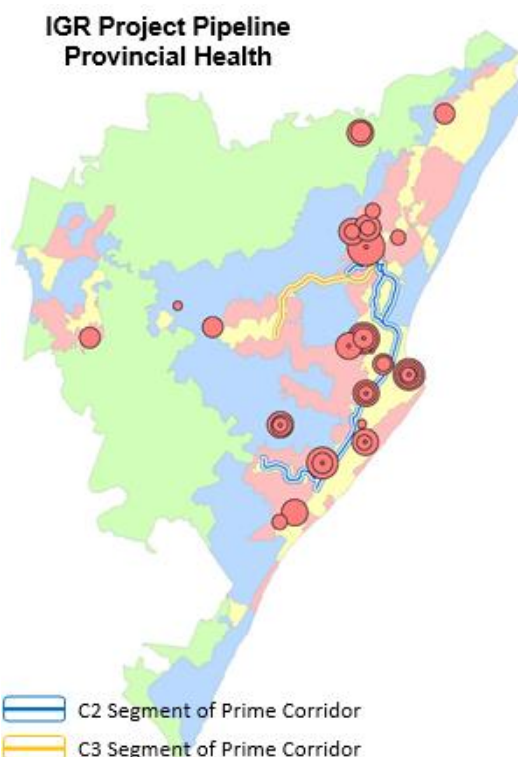


Fig 81 Health Department Projects

Sector	Investment Zone	Budget
Health Facilities	Prime	5,620,826,904
Health Facilities	Urban	92,820,947
Health Facilities	Suburban	11,427,295,702
Health Facilities	Rural	22,107,099
Total		17,163,050,652

Table 32 Health Department Projects

6.1.5.7 PARTNERSHIPS FOR INTEGRATED HUMAN SETTLEMENT

For the development of Cornubia South (underway) and Cornubia North (proposed), a functional partnership has been established between the municipality, the landowner (Tongaath-Hulett Developments), the Housing Development Agency, and the DHS. The partnership is served by a full-time secretariat comprising municipal officials. The municipal Architecture Department has completed the detailed plans for one of the Cornubia school clusters and these plans have been approved by the provincial Education Department. Budgets have been allocated by the province and in April 2018 we anticipate entering the contractor procurement stage. Hopefully this partnership process related to the Cornubia project will set in motion a regular, programmatic interaction between eThekweni and the provincial DoE which can then be extended to deal with joint planning for schools.

6.1.5.8 JOINT VENTURES WITH THE PRIVATE SECTOR

There have been historical, and there are current joint ventures with the private sector around Bridge City and the Riverhorse Industrial Area. Riverhorse Industrial is complete, and at Bridge City the JV succeeded to attract significant

private and state investment, and aims to continue to do so until the project is complete. Experience has shown that joint ventures with the private sector can yield very positive returns for all parties and can result in a more co-ordinated development response which is one of the intentions of the BEPP. Partnership arrangements should continue to be supported and enhanced as a means of achieving spatial transformation through the promotion of mixed-use objectives as well as a means of supporting economic development.

6.1.5.9 IGR FORUMS

There is a need for structures to be formalised that will assist engagement between the municipality and other levels of government with a view to aligning planning, budgeting and implementation as well as, where necessary, operations. There are internal municipal discussions on the issue of collaboration forums as part of a broader discussion on transversal management which is designed to break down the silos between departments and assist in efforts to improve areas where integrated responses are required from both municipal departments and departments at provincial and national level.

6.2 INFRASTRUCTURE ASSET MANAGEMENT

Municipalities are largely dependent on infrastructure assets to deliver services to communities and other stakeholders. Continuous improvements in IAM processes is therefore an important element of ensuring that municipalities are sustainable and improve their service delivery resilience.

eThekweni has reviewed the IAM Policy, requiring the establishment of only the Tactical Infrastructure Asset Management Committee (TIAMC) which reports to the Executive Management Team. In addition, improved definitions, particularly of maintenance and renewal programmes and work are included. Implementation of the revised committee structure and revised IAM Policy places additional focus on good governance based on lifecycle processes.

The TIAMC will be chaired by the Chief Strategy Officer and Unit Heads responsible for the management of infrastructure assets are listed as committee members. Functions of the TIAMC include:

- Review all Units' Infrastructure Asset Management Plans (IAMPs) with specific emphasis on alignment with the IDP, SDF and progress on Unit Life Cycle Strategies (Acquisition, Operations, Maintenance, Renewal and Disposal strategies);
- Review and make recommendations on progress with Units' implementation of their Infrastructure Asset Management Improvement Plans (IAMIP's) including the impact IAM improvements have made on operations; and
- Review and make recommendations on progress that Units have made in improving the quality of their infrastructure asset registers.

Implementation of the JDE E1 Capital Asset Management module has started. Implementation of the module in Units and Departments is expected to begin from July 2019 onwards. This implementation will include links (via mSCOA) to financial information at infrastructure asset component level as well as to the Municipality's ESRI GIS.

The availability of the IDMS, incorporating the CIDMS and IDM BOK, and linked to the Standard for Infrastructure Procurement and Delivery Management (SIPDM) will further assist the standardisation of IAM and implementation of lifecycle processes. Standard reporting for planning and monitoring will become good practice and standard use of project gates will lead to improved delivery linked to Municipal objectives. A summary of these reports is shown in Table 33 below.

Infrastructure Delivery Management Control System		
Process	Deliverable	Description
Portfolio Management	Infrastructure Asset Management Plan	Includes a description of how all 5 lifecycle programmes will be integrated to deliver infrastructure as well as long term cash flows. The IAMP also includes an improvement plan outlining improvements to the infrastructure delivery system
Programme Management	<ul style="list-style-type: none"> Infrastructure Programme Management Plans End of Year Report 	These plans ensure that all infrastructure is aligned with organisation objectives and include schedules of work and cashflows. Programme plans are reviewed annually to identify improvements and take account of changed situations.
Operations & Maintenance	<ul style="list-style-type: none"> Updated Infrastructure Asset Register (IAR) Operations Management Plan Maintenance Management Plan 	<ul style="list-style-type: none"> Updating the IAR at least annually is essential to ensure that all infrastructure is included in risk assessments, planning and budgeting. Operations and Maintenance plans describe how infrastructure will be used and looked after, including the institutional structures that support the provision of supplies, reporting and decision making. An annual review on achievements leads to improvements.
Project Management	Project Delivery gates (proposed 1 – 7)	Project delivery is based on formal documentation of the scope, cost and schedule for delivery of infrastructure. Reports are developed at each gate using the principle of progressive elaboration. All projects must form part of a programme and be handed over to normal operations once complete.

Table 33 Infrastructure Delivery Management System Summary

Currently implementation of lifecycle processes has focussed on improving capital budgeting processes, to improve the allocation scheduling of resources. This supports BEPP processes by aligning all IAM lifecycle programmes and plans with the IDP and SDF.

Use of lifecycle process will be extended to operation and maintenance strategies and associated programmes to improve the balance between installation of new infrastructure, effective operation of existing infrastructure and meeting social and economic needs.

PART C, D AND E

CATALYTIC LAND DEVELOPMENT PROGRAMME –PREPARATION, RESOURCING, IMPLEMENTATION

Introduction

The following Part C, D and E provide progress regards the implementation of the Catalytic Land Development projects in the city. It is important to note that the IPTN provides a key component to achieving the spatial transformation of the City.

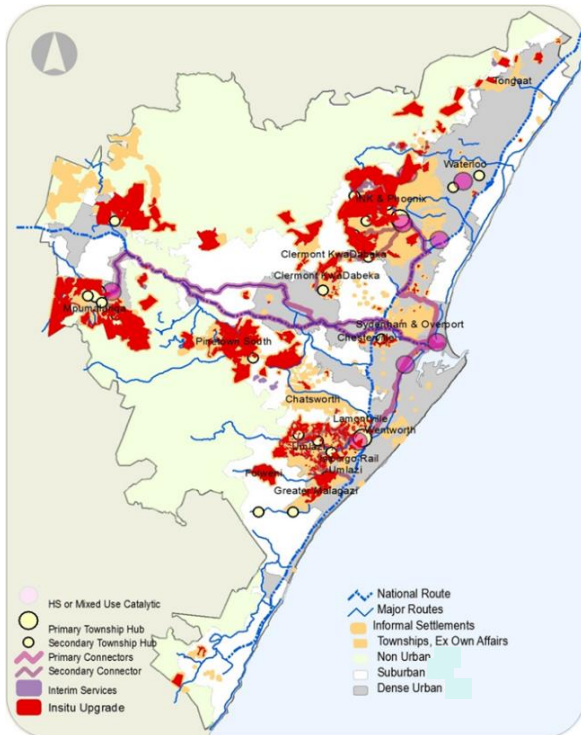


Fig 82 IPTN In relation to Well Located Informal Settlements

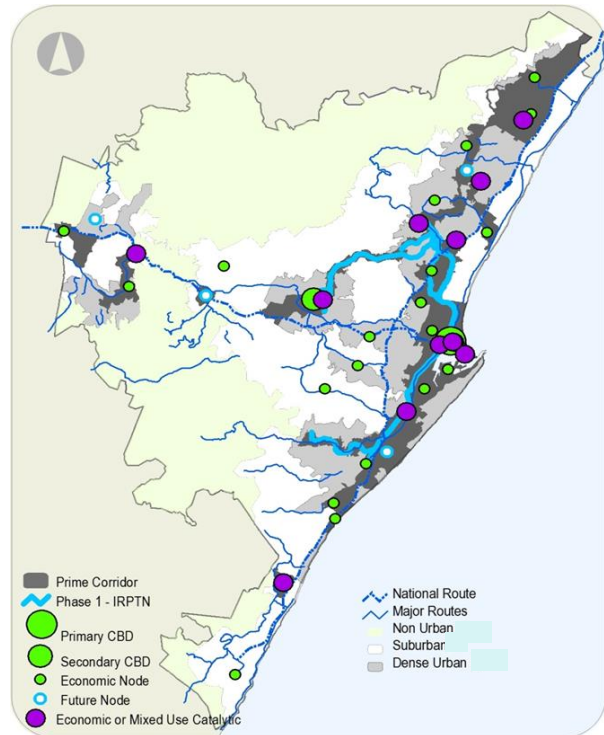


Fig 83 IPTN in Relation to Economic Nodes

The two Fig 82 and 83 above illustrate how the housing and economic development projects are located within the PIC as well as the location of the projects to the IPTN. The Catalytic projects are detailed in the section below. The IPTN can be seen as the key component that brings the spatial strategy to life in the city. The IPTN provides better access, provides better connectivity and provides of a more coherent public transport system. The catalytic projects cannot and should not be seen in isolation of each other. The ITPN provides better access to the residents and place of employment, and the spatial location of the catalytic projects and the IPTN also assist in building passenger thresholds to ensure a sustainable public transport system. Due to the nature and extent of the projects the municipality would need to engage in partnerships with National, provincial and private sector to fund these projects. One has to note that whilst the city manages the spatial transformation process all stakeholders have a responsibility to ensure that transformation does take place by investing in the process. These catalytic projects provides a clear line of sight for investment opportunities for the National, Provincial and private partners.

INSTITUTIONAL CO-ORDINATION VIA THE DISTRICT DEVELOPMENT MODEL (DDM)

The City is a pilot for the implementation of the DDM, the Strategy office has developed an institutional framework that would be put forward for council adoption in May 2020. The key workstreams and focal areas identified in the framework are as follows:

Workstream	Focal Areas
1) Institutional	<ul style="list-style-type: none"> - 17 Zonal Administrative Structures - Review & strengthening of OSS in eThekweni - Government Malls - Skills Audit
1) Finance	<ul style="list-style-type: none"> - Outstanding government debt - Un(der)funded mandates - Under-funded PTOG contracts - Public Transport Operational Funding - Funding for eradication of transit camps - Social services funding
1) Catalytic Projects	<ul style="list-style-type: none"> - IG involvement & commitment to identified projects
1) Infrastructure	<ul style="list-style-type: none"> - Rationalisation of roles & responsibilities - State of Government infrastructure in ETK - Aesthetic & Cleansing issues related to Government infrastructure - Assignment & Devolution of functions - Health Services MOU
1) CRM & IGR	<ul style="list-style-type: none"> - One Government One Customer Service Delivery Charter - Stakeholder Engagement & Involvement - Identification and rationalization of Stakeholder Forums in eThekweni including the Khawuleza Forum. - Cross cutting IGR support - ITB MOU
1) Safety & Security	<ul style="list-style-type: none"> - Involvement in Safety Strategy - Involvement in Disaster Risk Reduction Strategy

	<ul style="list-style-type: none"> - Social issues including homelessness etc.
1) Port Congestion	<ul style="list-style-type: none"> - 7 sub-workstreams defined & operational
1) SIP 2	<ul style="list-style-type: none"> - Funding for Freight Logistics Strategy - Funding for Port Access Road
1) Single Plan	<ul style="list-style-type: none"> - Catalytic Projects - PGDS Review - Profile Update - BEPP Transition Process - SDF - Service Delivery standards for new infrastructure and Spatial prioritization Methodology - Future Proofing - Single Govt Plan - Single all-of-society plan
1) Single Budget	<ul style="list-style-type: none"> - 20/21 MTREF action Plan - 21/22 MTREF action Plan - 22/23 MTREF Action Plan etc. - Long Term Financial Strategy (LTFS)
1) Single Implementation Strategy	<ul style="list-style-type: none"> - Agency agreements - Integrated pipelines of projects - Integrated Programme Management - Integrated contracts - Partnership Agreements - Assignment & Devolution
1) Monitoring & Evaluation	<ul style="list-style-type: none"> - 1 all of government set of customer indicators based on the Charter - Circular 88 - Single Plan M&E

The DDM process and the implementation of the framework above does have the ability to further provide a single intergovernmental project pipeline for the investment of National and Provincial funds in the City. This becomes increasingly

significant for the catalytic projects as it give the city the opportunity to firstly influence National and Provincial funding but more importantly confirm the funding commitments to projects that would spatially transform the city. In the catalytic projects below the city has indicated its commitments to developments that would ultimately change the spatial form of the city however in many of the projects we were unable to provide the exact monetary commitments from each of the sector departments. The DDM process offers the city that opportunity. It is noted that the development of the One Plan would be one of the key drivers of the next Generation IDP. The DDM also offers the city the opportunity to address key areas where National Government input is required eg on the monitoring and evaluation roles and responsibilities in Circular 88 indicators. Through the implementation of the DDM process many of the shortcomings in the municipalities BEPP would be overcome.

CLIMATE RESPONSIVENESS AND RESILIENCE IN CATALYTIC PROJECTS

There are currently 2 main challenges that the DPEM unit is addressing in this regard. Firstly, the lack of a suitably resourced climate change department that would ensure mainstreaming of climate resilience approaches into catalytic developments has been a stumbling block. At the moment, the Unit Restructuring process that creates a Climate Change department is expected to be approved at the May 2020 Council meeting.

Secondly, for the longest time since the adoption of Durban's Climate Change Strategy, implementation has never been integrated in a way that would allow for monitoring and reporting of progress on how the city is doing in this regard, evaluating success of various interventions to advance them from pilot to mainstream. The City is now in the process of finalising an integrated implementation plan for the Durban Climate Change Strategy. The plan will also be a guide on how climate change resilience can be mainstreamed into developments in the city including catalytic projects.

PROCUREMENT AND SUPPLY CHAIN MANAGEMENT TO SUPPORT IMPLEMENTATION

The Table 34 below indicates the SCM stage of projects within each of the integration zones for Capital Projects year 2020/21. These figures excludes any Zonal Planning and Units blocksums. Approximately 60% of the project budgets in the PIC have and SCM Status of Completed or Started in total.

BEPP ZONE	Number of Projects	Procurement Status	Sum Of Capital Budget for 20/21	% Procurement Status Within Each Integration Zone
Prime Investment Corridor	24	Did Not Commence	14,100,000	1.95
Prime Investment Corridor	49	SCM Completed	179,212,000	24.84
Prime Investment Corridor	82	SCM Planning	277,934,000	38.52
Prime Investment Corridor	187	SCM Started	250,233,994	34.68
Total			721,479,994	
Rural	7	Did Not Commence	42,599,000	15.45
Rural	9	SCM Completed	16,683,000	6.05

Rural	29	SCM Planning	184,752,000	67.02
Rural	16	SCM Started	31,639,000	11.48
Total			275,673,000	
Suburban	34	Did Not Commence	48,050,000	7.70
Suburban	42	SCM Completed	201,584,000	32.29
Suburban	71	SCM Planning	234,600,000	37.58
Suburban	89	SCM Started	139,975,000	22.42
Total			624,209,000	
Urban Zone	17	Did Not Commence	51,934,000	12.96
Urban Zone	37	SCM Completed	80,379,000	20.05
Urban Zone	85	SCM Planning	156,014,000	38.92
Urban Zone	98	SCM Started	112,511,000	28.07
Total			400,838,000	
Capital Projects with No Co-ordinates	2	Did Not Commence	1,094,000	
Capital Projects with No Co-ordinates	2	SCM Completed	-	
Capital Projects with No Co-ordinates	2	SCM Planning	272,262,000	
Capital Projects with No Co-ordinates	4	SCM Started	2,182,000	

Table 34 SCM Status

7.1 PREPARATION/RESOURCING/IMPLEMENTATION

PROJECT CATEGORISATION

- PC Project complete
- PU Project underway with construction
- PA Project approvals in place, but construction not started
- PP Project planning underway, approvals not yet in place

7.1.1 AUTOMOTIVE SUPPLY PARK (ASP)

The project is strategically located on a 1,000ha agricultural site in Illovo South which is to be developed as a KZN Automotive Supplier Park to strengthen the automotive manufacturing sector in the city and broader KZN region. The project is located to the south of the city and has easy access to the N2 Corridor both North and South. This project is located in the Prime Investment Corridor it has significant multiplier effects for the motor industry development in the city. From a connectivity point of view the site can access the N2 which will feed into the city's transport network emanating from the north into the city. This project is viewed as one of the key economic development projects to the south of the city and can assist in providing much needed employment opportunities in the south of the city.

7.1.1.1 SOCIO-ECONOMIC BENEFITS

Broader estimated economic and socio-economic impacts from the total development are shown below in Table 33:

Phase	Economic Impact	Direct	Indirect	Total
CAPEX	Gross Value Added	R 4 712 881 350	R 6 691 618 199	R 11 404 499 549
	New Business Sales	R 14 241 826 087	R 17 857 563 679	R 32 099 389 765
	Income Contribution	R 2 496 197 947	R 3 133 393 595	R 5 629 591 542
	Employment Creation	39 683	30 826	70 509
OPEX	Gross Value Added	R 1 691 124 458	R 3 055 922 517	R 4 747 046 974
	New Business Sales	R 9 034 668 612	R 7 721 756 400	R 16 756 425 012
	Income Contribution	R 777 858 182	R 1 405 457 362	R 2 183 315 544
	Employment Creation	5 356	15 544	20 900

Source: (Urban-Econ, 2018c)

Table 35 Socio-Economic Benefits

7.1.1.2 PROJECT STATUS

Specialist studies and the public participations for the BAR and WULA have been completed, with construction of bulk infrastructure targeted for completion by August 2022 when serviced platforms are handed over for top-structure development.

Some of the key activities which are currently underway include the following:

- Feasibility study and business case preparation underway for presentation to PSC shortly;
- Negotiations underway on the implementation and funding of bulk infrastructure;
- Project feasibility is underway for submission at the end of March 2020;
- Workshop has been held with Toyota to review the implementation, incentive package for occupiers and joint marketing of the development to foreign investors.

7.1.1.3 INVESTMENT STRATEGY

In manufacturing terms, original equipment manufacturers or OEMs are companies that make a part or subsystem used in another company's end product. The supplier park is envisaged to become a centralised hub of Toyota's OEMs, with reputed benefits to these companies including world-class benchmarked facilities, lower cost of goods and distribution efficiencies, better productivity, efficiency and quality, shorter customer order cycles and a road network design which supports all types of articulated road vehicles and provides ample turning circles for ease of access, among others.

The intention is to submit applications to National Treasury to extend the SEZ Zone currently in place around the King Shaka International airport and Dube Trade Port to the ASP. Benefits offered to businesses operating within the Special Economic Zone are geared towards promoting business growth, revenue generation, employment creation, the export of value-added commodities, and the attraction of both foreign and local investment – all enhancing South Africa's manufacturing and export capabilities.

As with the development around the airport, Dube Trade Port Corporation, who are wholly owned by the KwaZulu-Natal Provincial Government, will act as land developers for and on behalf of the province in conjunction with other key stakeholders, such as the Municipality and Toyota.

7.1.1.4 SPATIAL PLANNING AND TARGETING

The proposed automotive supplier park is planned to be developed on a 1 000hectare site on the Illovo River bank indicates that the largest government-driven project planned for the south in at least the last decade is on track for construction to begin in July 2019. The site falls within the Prime Investment Corridor and is located alongside the N2, just 16km south of the Toyota Prospecton plant and 38km away from the Durban harbour.

7.1.1.5 PREPARATION

A framework plan is busy being finalised by the consultants for the broader 1,000 ha land parcel acquired by Dube Trade Port with specific focus on the ASP area for which a town planning application will be submitted shortly in terms of SPLUMA. Although this programme is driven largely by provincial government (EDTEA) there is a strong focus on ensuring buy-in and support from the other key stakeholders, namely the eThekweni Municipality as well as the private sector, specifically Toyota, currently the main OEM in the city. Key components of Phase 1 are outlined below in Table 34:

Priority	Project Description	Municipal	Provincial	National
1	Submission of application for SPLUMA	Authorising authority	Implementer and funder	
2	Sewage transfer main from pump station 1 to Kingsborough WWTW and fixing of pipeline to existing steel bridge over Illovo River	Authorising authority. Funding under negotiation		
3	Transfer Scheme from the Hutchison Park Sewage Pump Station to the Amanzamtoti WWTW	Implementer and Funder		
2	3ML Reservoir, 640KL Water tower with Pump Station	Authorising authority. Funding under negotiation		Still negotiating
3	New substation at ASP, 132kVA powerline from Hutchinson Park – ASP.	Authorising authority. Funding under negotiation		
	Boulevard Road	Authorising authority. Funding under negotiation		
	Upgrading of P197 for Temporary Access		Authorising authority. Funding under negotiation	
	New interchange off the N2 south			Authorising authority. Funding under negotiation

Table 36 Phase 1 Key Developments

7.1.1.6 RESOURCING

The Auto Supply Park is being facilitated by Dube TradePort, EThekweni Municipality and Economic Development Tourism and Environmental Affairs (EDTEA), who have signed an MOU to collaborate on the Project.

The implementing agent is Dube Trade Port Corporation, which is wholly owned by EDTEA.

As such the land was purchased by EDTEA from Illovo sugar for the development of the ASP.

Other key governmental departments have been engaged in the planning process and discussions are continuing to outline the roles and responsibilities of each party in relation to the funding and implementation of the infrastructure above. These discussions will culminate in the conclusion of Service Level Agreements.

7.1.1.7 REPORTING AND EVALUATION

The indicators for this project will be populated along with the other council requirements as per the requirements of Circular 88.



Automotive Supplier Park site



Figure 84 Automotive Supplier Park Framework

Catalytic Project Matrix - ASP	Response	
Location	Located in the PIC	SDF Investment Node
Responsiveness to the IPTN	Not located in the IPTN however has good access via the R102 and the N2 Corridor N/S	
Proposed Land Use	Industrial and Manufacturing	
Impact on Rates	Positive Rates Generation	
Employment Generator	Positive Rates Generation	
Precinct Management	Private Managed Industrial Estate once Completed	

7.1.2 CATO RIDGE MULTI MODAL DEVELOPMENT

Cato Ridge Multi Modal Hub Development of a Logistics Hub / Inland or Dry Port with the following business units, Mega Truck Stop and Staging with various amenities, such as overnight facility, 700 to 1,000 truck parking bays, fuel station, convenience stores, driver's wellness centre, pharmacy truck and tyre repair facilities, Container and Automotive Terminal with an envisaged maximum container annual throughput capacity of about 750,000 TEUs, Logistics and Industrial Park with warehouse facility for added container services such as stuffing and de-stuffing. The Industrial Park will house various manufacturing facilities and Tank Farm (Petroleum Product Storage) with an estimated annual throughput capacity of 3,168,000 million Litres. The project site is located strategically along the N3 corridor and is part of the broader National SIP 2 project. The Site is within the PIC and can be accessed via the N3 into and out of the city.

7.1.2.1 PROJECT STATUS

The project is currently at 15% completions and is at Prefeasibility stage; however, the Interim Intermodal Feasibility phase's financial model and business plan are 95% complete with construction scheduled to start by 01 July 2019.

- Estimated Value: R18 billion;
- Annual Rates R 250 000 per annum;
- Construction jobs 2000;
- Permanent Jobs 6000; and
- Duration: The development started implementation in 2015 with an anticipated roll out duration of 25 to 30 years.

7.1.2.2 SPATIAL PLANNING AND TARGETING

The project aligns with the eThekwin Municipality Spatial Development Framework (SDF) 2020 and falls within the Prime Investment Corridor. The Development Planning, Environment and Management Unit has completed a Local Area Plan for the greater Cato Ridge area. After a comprehensive public participation process, Council approved the Local Area Plan endorsing the multi modal hub within the Cato Ridge area to create much needed jobs and grow the local economy.

Phase one priority projects

Priority	Project Description	Municipal	Provincial	National	SANRAL	Private Sector
1	N3 Interchange	TBD	TBD		TBD	TBD
2	Container and automotive					TBD
3	Logistics and Industrial Hub					TBD
4	Truck Stop and Mega Staging					TBD

Table 36 Priority Projects for Phase 1

7.1.2.3 PREPARATION

The Cato Ridge development will be done in collaboration with Transnet, PRASA, eThekweni Municipality, Emkhambathini Municipality, KZN Human Settlement and KZN Department of Transport. The finalisation of the Cato Ridge Local Area Plan has created a much-needed framework which integrates housing plans, public transportation plans, logistics plans and business parks.

The project is done by the private sector and eThekweni Municipality playing a facilitation role.

7.1.2.4 RESOURCING

As it has been mentioned above that this is a private sector led initiative and it is the private sector that is investing the 18 billion Rands into this development. The consultant appointed by the developer are working on the total cost for infrastructure required to make this development happen.

eThekweni Municipality will contribute to the proposed N3 interchange, MR 385 widening, sewer, water and electricity upgrades that will be necessary to realise this development. A cost sharing model will be formulated which will clearly stipulate how much each of the affected parties should contribute for this investment to happen.

7.1.2.5 IMPLEMENTATION

The developer has appointed SMEC engineers and they have prepared a comprehensive infrastructure plan for this development breaking it up into manageable phases since this project will be finalised in 20 years' time.

The project is done in collaboration with SANRAL, KZN Department of Transport, eThekweni Transport Authority and other affected departments.

Local communities comprising the traditional council, businesses and other community structures have been engaged in the process. This will create a conducive environment for the smooth implementation of the project and eliminate the work stoppages experienced in most of the projects implemented currently.

7.1.2.6 URBAN MANAGEMENT

The developer has prepared a land use scheme for the rezoning application which will be submitted once he gets the ROD from the KZN Department of Environmental Affairs and the release of the land from Act 70 of 70.

Once the eThekweni Municipality approves the rezoning of the land as per the proposed scheme, all issue of land use management will be done as per that scheme until such time that it requires to be amended.

7.1.2.7 REPORTING AND EVALUATION

The project like all other catalytic projects will be monitored and evaluated against the proposed jobs at construction and completion. The proposed rates contribution that have been mentioned at the inception of the projects will also be scrutinised against the actual at the completion of the project.

Catalytic Project Matrix – Cato Ridge	Response	
Location	Located in the PIC	SDF Urban Node
Responsiveness to the IPTN	Not located in the IPTN however has good access via the N3 Route	
Proposed Land Use	Logistics and Industrial Hub , supporting the function of Port Related activities	
Impact on Rates	Positive Rates Generation	
Employment Generator	Positive Employment Generation	
Precinct Management	Various precincts with in the Cato Ridge Area. Need to address how each of the precincts would be managed effectively'; IE lot owners associations or UIP etc	

7.1.3 CENTRUM SITE DEVELOPMENT PROJECT

Centrum site is situated within the core of the Inner City; it has remained under-developed for some decades now. The city through its Urban Renewal Unit has completed an urban design framework which has been bold in its development vision. A potential 700, 000m² of bulk is achievable on the site which includes the Albert Luthuli International Convention Centre, Durban Exhibition Centre, the current bus terminal and Workshop. The Centrum Site is within the PIC and has direct access to the IPTN. One of the proposals for the IPTN includes an intermodal transport facility in proximity to the site.

A super basement parking garage is planned for Centrum also housing the IPTN and ICDS terminals. A combination of public and private sector commercial opportunities together with the planned new library will assist in providing jobs as well as build social cohesion in the city (through the library project). Enhanced pedestrian movement within the centrum precinct and connecting with the rest of the city

- To enhance existing & create new links between the commercial city centre, Durban Station, the Greater Warwick & the ICC;
- Develop an Intermodal Transport Facility for the Integrated Rapid Public Transport Network & Inner-City Distribution System bus stations;
- Develop new public service buildings such as the new City Library, Natural Science Museum & Council Chamber;
- Consolidate & create a new Municipal Complex in the civic heart of the City; and
- Provide shared basement parking facility to support the greater development & other areas within the vicinity.

7.1.3.1 PROJECT STRUCTURE

The Project Steering Committee includes a multidisciplinary team comprising of different Line Departments within the City. Work Streams identified include:

- Technical Work Stream – considers all the technical and infrastructure requirements
- Procurement Work Stream – responsible for procurement advisory on procurement options suitable for the project and factoring in empowerment objectives
- Planning & Design Work Stream – responsible for developing and refining development controls relating to the precinct considering the LAP and Town Planning Scheme.
- Finance & Funding Work Stream – responsible for mobilising funding for the different phases of the development of Centrum

7.1.3.2 PROJECT PROGRESS (TO APRIL 2020)

Procurement of Professional services, which will provide Transactional and Technical Advisory Services: The overall objective is to undertake feasibility and specialist studies that will provide recommendations and approvals to the eThekweni Municipality with a Business Plan that reflects Market Studies and Funding Models for the development opportunities. This will ensure project readiness of the Centrum site, as well as to obtain required National Treasury approvals.

Phase 1- current and prospective tenants:

- New City Library (Construction commence TBD);
- New Council Chambers & associated services (construction commence TBD);

- Integrated Rapid Public Transport Station;
- Traffic Management Centre (TBD);
- Department of National Public Works (SASSA, Dept. Of Labour, Home Affairs SARS) (TBD); and
- Basement Construction & Parking Operator (Commencement October 2019).

Phase 2 – Projected Land Uses:

- Residential Housing (different typologies incl. boutique hotels);
- Retail; and
- Commercial infill.

7.1.3.3 SPATIAL PLANNING AND TARGETING

This project falls within the Prime Investment Corridor and is one of the key projects within the revitalisation of the Durban Inner City.

Land Use Mix

Priority	Project Description	Municipal	National	Private Sector
1	Bulk Reticulation (Water, Sewer, Electricity, Pedestrian Walkways Park Extension/Civic Square)	X		
2	Super Basement Parking (PPP)	X		X
3	IRPTN Inner City Station	X		
4	Public Services (City Library)	X		
5	Public Services (Municipal Offices)	X		
6	Public Services (Dept. Home Affairs, SASSA, Dept. of Labour)		X	
7	Land Development (Gap Housing, Hotels, Retail)			X
8	Social Housing	X		

Table 37 Land Use Mix and Related Responsibilities

Representation of National Department of Public Works on Inner City Steering Committee and Centrum Site Project Steering Committee. Draft MoU with National Dept of Public Works on Cooperation on the Development of Centrum Site.

Priority	Project Description	Municipal	National	Private Sector
1	Bulk Reticulation Services (Water, Sewer, Electricity, Pedestrian Walkways, Civic Square/Park Extension)	TBD		
2	Super Basement Parking (PPP)	TBD		TBD
3	IRPTN Inner City Station	TBD		
4	Public Services (City Library)	TBD		

5	Public Services (Municipal Offices)	TBD		
6	Public Services (Dept. Home Affairs, SASSA, Dept. of Labour)		TBD	
7	Land Development (Gap Housing, Hotels, Retail)			TBD
8	Social Housing	TBD		
TOTAL PRECINCT REQUIREMENTS		TBD	TBD	TBD

Table 38 Related Responsibilities related to Centrum Project

7.1.3.7 URBAN MANAGEMENT

Revised Inner City Local Area Plan approving 7 Precincts with Centrum Precinct being one of the 7 precincts. Overarching Densification Strategy. Underpinned by four spatial principles:

- Connected City- physical connections, roads, cycle pedestrian;
- Walkable City – mixed use & densified with access to public transport;
- Integrated and Inclusive Inner City – wide range of housing typologies; and
- Unlocking the Inner City's Potential – regenerate & expand, big & small projects.

Catalytic Project Matrix – Centrum	Response	
Location	Located in the PIC	SDF Metropolitan Node
Responsiveness to the IPTN	Located in the IPTN Network – InterModal Hub	
Proposed Land Use	Mixed use, commercial and Civic Complex	
Impact on Rates	Positive Rates Generation	
Employment Generator	Positive Employment Generation	
Precinct Management	Precinct Management via the ABM once completed	

7.1.4 CORNUBIA INTEGRATED HUMAN SETTLEMENTS DEVELOPMENT

The Cornubia Integrated Human Settlement development is a joint venture between the National, Provincial Departments of Human Settlements, eThekweni Municipality and Tongaat Hulett, and is set to be eThekweni and the Province's largest sustainable integrated Human Settlement initiative. Cornubia will be a mixed-use mixed-income development, incorporating industrial, commercial, residential and open space uses. This project falls within the PIC and the IPTN is a key component in the development. The IPTN C9 traverses the project site and provides for improved public transport access to economic activities in Umhlanga and the CDB via the C2 Corridor. There is also improved access via the C3 Corridor from Bridge City to Pinetown. This project provides integrated human settlement solutions and various employment opportunities arising from the commercial, manufacturing and industrial development in the project area.

7.1.4.1 SOCIO-ECONOMIC BENEFITS

- Investment Value R25 billion
- Annual Rates R300 million
- Construction jobs 15 000
- Permanent Jobs 48 000

7.1.4.2 PROJECT STATUS

- Phase 1:
 - Phase 1A (486 units) complete & occupied;
 - Phase 1B (2,180 units) – complete and occupied; and social facilities cluster under construction;
 - CIBE – 70ha industrial estate – bulk and internal infrastructure complete & sites sold. 33 buildings complete and operational.
- Phase 2:
 - Cornubia Business Hub: All infrastructure in and sites sold. Cornubia Mall, MMI call centre and petrol filling station site complete and operational.
 - N2 Business Park – infrastructure and platforming complete. First building (Makro) complete and operational and construction underway on second site for warehousing and logistics;
 - Phase 2A & 2B Housing: Currently in planning phase.
 - C9 IPTN Corridor: Bridge over N2 linking in UNTC open. Tender out for Cornubia Blvd.
 - uMhlanga Hills and Cornubia Town Centre Precinct: Construction underway for earthworks and internal services.

7.1.4.3 INVESTMENT STRATEGY

The city together with the private sector partner (THD) are jointly investing in the bulk infrastructure to allow for the release of land for commercial and social purposes.

A CBA (Cost Benefit Analysis) has been undertaken, which shows the positive return on investment.

7.1.4.4 LAND USE STRATEGY

Public land outside noise contour being used for subsidised housing and social services. Land within noise contour set aside for commercial and industrial purposes to be released via a public tender process.

Private sector land developer, sells land to property developers via normal private sector market driven sales approach.

Tonga Hulett has programmed the development of 1100 units for the gap market at Marshall Dam as part of Phase 1. SPLUMA approval has been achieved already for 1376 gap, affordable and market related dwellings in Umhlanga Hills as part of Phase 2 by THD. Both of these form part of the long term estimated overall 10 000 private development units that are intended to be part of the mixed income residential development.

7.1.4.5 SPATIAL PLANNING AND TARGETING

The Cornubia programme falls within the Prime Investment Corridor and is strategically located as an infill area, thereby integrating a number of formally separated areas of various income groups. It is also strategically located along the N2 northern corridor and bisected by IPTN public transport routes (Go Durban C8 & 9 corridor).

7.1.4.6 PREPARATION

As a mixed use integrated human settlements programme there are number of both governmental and private sector stakeholders involved in rolling out development in the area. Table 39 below gives an indication of some of the projects to be rolled-out in the short-term by the various parties.

Priority	Project Description	Municipal	Provincial	National
1	Primary School, community hall and clinic in Phase 1b residential area	Implementer & co-funder	Co-funder	
2	Phase 2 BNG Housing	Implementer and co-funder		Co-funder
3	Ottawa Substation upgrade	Implementer and funder		
4	Cornubia Boulevard (C9 route)	Implementer and co-funder		Co-funder
5	CTC elevated water tower	Implementer and funder		
6	Blackburn elevated water tower	Implementer and funder		
7	Retail Facility for Phase 1b	Implementer and funder		

Table 39 Related Responsibilities related to Cornubia

As per the Table above there are several projects which are planned for implementation as a result of inter-governmental engagements and commitments to funding and implementation: including social facilities to support the nationally funded housing and the IPTN route dissecting the development.

In addition to the above public sector projects being planned for implementation, there are also a number of private sector land development projects in terms of the preparation of precincts (Cornubia Town Centre and uMhlanga Hills) and property developments in precincts which already have all the internal infrastructure and platforming in place (e.g. Makro in N2 Business Estate).

7.1.4.7 RESOURCING

As Cornubia is already in the implementation stage several projects are simultaneously being prepared, planned, procured, implemented and maintained across the various precincts of this programme.

This requires a portfolio approach to achieve the optimal funding mix and sequencing of the public catalytic project pipeline.

A key requirement in this regard is securing the necessary funding to undertake the implementation of the various projects planned. Table 40 reflects the quantum's that have been set aside for these projects over the next three years.

Please note these figures have been sourced from the draft budget that still need to go to Council for approval, so may be subject to change. The specific amounts from the other entities are being sourced to input.

Priority	Project Description	Municipal	National	Provincial
1	Primary School, community hall and clinic	R25.1m		R68.6m
2	Phase 2 BNG Housing	R138.9m		
3	Ottawa Substation upgrade	R19m		
4	Cornubia Boulevard (C9 route)	R800m		
6	Clinic Upgrading	R8,5m		

Table 40 Funding per Priority – Cornubia

7.1.4.8 IMPLEMENTATION

Implementation is taking place in several precincts within the broader programme both by the private (land and property developers) as well as the public sector.

Several institutional structures have been set up to assist with an integrated and collaborative approach, including a Steercom, IGR Forum and Technical Task Team meetings.

A Development Forum which includes the various community groupings and stakeholders is in the process of being established.

7.1.4.9 URBAN MANAGEMENT

There are several structures that have been established to assist with the management of the public spaces and maintenance of the relevant infrastructure.

The private sector precincts are managed by Management Associations. As part of the sale of each of the even, each property owner is mandated to contribute towards this Association, which provides a 'top-up' service to the Municipal level service in terms of security, cleaning and landscaping.

The public sector precincts are managed by the relevant Municipal line department responsible for that service, whether its: water, roads, stormwater, solid waste, Parks, etc.

For the public retail and sports facility that have been constructed to serve the community in Phase 1A these are operated and maintained by the Business Support Unit and Parks Department accordingly.

7.1.4.10 REPORTING AND EVALUATION

The indicators for this project will be populated along with the other council requirements as per the requirements of Circular 88.

Catalytic Project Matrix – Cornubia	Response	
Location	Located in the PIC	SDF Investment Area
Responsiveness to the IPTN	Located in the IPTN Network	
Proposed Land Use	Mixed use, commercial and Human Settlement	
Impact on Rates	Positive Rates Generation	
Employment Generator	Positive Employment Generation	
Precinct Management	Management Association for the private sector precincts. Residential areas have no precinct management approach	



Cornubia Mall and Town Centre Precinct



Cornubia Phase 1 Housing and CIBE (Cornubia Industrial and Business Estate)

7.1.5 DUBE TRADE PORT SPECIAL ECONOMIC ZONE

7.1.5.2 PROJECT DESCRIPTION

The Dube TradePort Special Economic Zone is strategically located 30km north of the city of Durban, in KwaZulu-Natal, on South Africa's eastern seaboard. This over 3 000 hectare development is home to the state-of-the-art King Shaka International Airport and is ideally positioned 30 minutes from Africa's busiest cargo port, Durban Harbour, and 90 minutes from Richards Bay Harbour. Dube TradePort takes advantage of its prime location as the only facility in Africa combining an international airport, dedicated cargo terminal, warehousing, offices, retail, hotels and agriculture. This projects is located in the PIC and along the key N2 North South Corridor. The projects site also has additional access to the R102 corridor.

7.1.5.2 SOCIO ECONOMIC BENEFITS

- Investment Value R18bn (private sector investment);
- Annual Rates R180m; and
- Permanent Jobs Over 150,000 operational jobs ultimately 2,060 permanent jobs

7.1.5.3 PROJECT STATUS

Land development complete for the first phase of DTP with substantial take up in terms of end-user developments in Trade Zone 1 as well as the Agrizone 1. Dube City, which is a commercial and office precinct has seen slower take-up but the installation of basement parking should prove a catalyst for increased take up in the area with office and hotel developments coming on stream. Trade Zone 1 & 2 and Agrizone 1 have received IDZ Status, migrated to an SEZ. New link road from uShukela Highway has been constructed and is operational. Planning is currently underway for subsequent phases (Trade Zone 2 & 3; Support Zone 2 and Agrizone 2). Trade Zone 2 has received it EIA approval and bulk earthworks and platforming is currently underway on site.

7.1.5.4 INVESTMENT STRATEGY

Dube TradePort Special Economic Zone is a world-class development offering globally integrated logistics and manufacturing infrastructure, and support for a range of airport-related activities, including cargo operations, warehousing, agriculture, and commercial real-estate for office, retail and hospitality.

The benefits offered to businesses operating within the Special Economic Zone are geared towards promoting business growth, revenue generation, employment creation, the export of value-added commodities, and the attraction of both foreign and local investment – all enhancing South Africa's manufacturing and export capabilities.

Owned by the KwaZulu-Natal Provincial Government, Dube TradePort is the province's flagship infrastructural development and key priority, forming part of South Africa's National Infrastructure Plan.

7.1.5.5.SPATIAL PLANNING AND TARGETING

Dube Trade Port falls within the eThekweni Prime Investment Corridor. As a long-term, master planned freight and passenger logistics hub, Dube TradePort - located just 30km north of the seaport city of Durban - is rapidly emerging as a vital global supply link and trade centre for KwaZulu-Natal.

Strategically located surrounding King Shaka International Airport, the precinct includes:

- Dube TradeZone: A prime, fully-serviced industrial precinct of 77 hectares, growing to 300 hectares, for electronics, pharmaceuticals and aerospace manufacturing, assembling, and distribution;
- Dube Cargo Terminal: A state-of-the-art cargo handling facility with digital tracking and secure cargo flow through on-site statutory bodies, which prides itself on 0% cargo loss since inception in 2010;
- Dube AgriZone: An advanced agricultural precinct that provides world-class facilities and technical support for propagating, growing, packing and distributing high-value perishables and horticultural products through an efficient supply chain;
- Dube City: A 12-hectare premium business and hospitality precinct, just 3 minutes from the passenger terminal; and
- Dube iConnect: A cutting-edge telecommunications platform and premier cloud service provider, servicing the Dube TradePort precinct and KwaZulu-Natal's only locally-hosted cloud service, making it the premier offering for regional data recovery.

7.1.5.6 PREPARATION

A Masterplan has been developed for both the Airport Precinct as well as the broader DTP development precincts. These also form part of the larger Aerotropolis area, an initiative been driven by the Provincial Government (EDTEA), but supported by other key stakeholders, such as the Municipality. DTP are currently underway with planning and implementing their next precincts for development, which has triggered the need to upgrade some of the bulk infrastructure in the area which the Municipality is responding to in partnership with other relevant roleplayers, such as DOT.

Priority	Project Description	Municipal	Provincial	National
1	Land development for Trade Zone 2		Funder & implementer	
2	Hlawe Sewer link to Tongaat Trunk		Funder & implementer	
3	La Mercy Substation reinforcement	Implementer and funder		
4	New Umdloti WWTW and upgrade to Tongaat WWTW	PPP		PPP
5	Dube City Multi-storey car park		Implementer and funder	

Table 41 DTP Roles and Responsibilities

In addition to the above public sector projects listed in Table 41 being planned for implementation, there are also several private sector property development projects currently being developed in TradeZone1 and planned for TradeZone2. This includes a range of industries including Samsung and the recently opened smart phone factory t developed by the Marra group.

7.1.5.7 RESOURCING

As Dube Trade Port is already in the implementation stage several projects are simultaneously being prepared, planned, procured, implemented and maintained across the various precincts of this programme.

This requires a portfolio approach to achieve the optimal funding mix and sequencing of the public catalytic project pipeline.

A key requirement in this regard is securing the necessary funding to undertake the implementation of the various projects planned. Table 42 below reflects the quantum's that have been set aside for these projects over the next three years. The development of the airport was largely funded by national government at its inception in 2008 and Provincial government as well have made substantial investment into bulk and internal infrastructure development through Dube Trade Port corporation which is a fully owned provincial entity and act as implementing agents on this development as well as the Auto Supplier Park planned for the south.

Priority	Project Description	Municipal	Provincial	National
1	Land development for Trade Zone 2		?	
2	Tonga Central WWTW Upgrade	R18m		
3	New Umdloti WWTW and upgrade to Tonga WWTW	PPP		PPP

Table 42 Funding per Priority – DTP

7.1.5.8 IMPLEMENTATION

Implementation is taking place in several precincts within the broader programme both by the private (property developers) as well as the public sector.

Several institutional structures have been set up to assist with an integrated and collaborative approach mainly through the Aerotropolis institutional structures which consists of a Steering Committee and various Workgroups. A Technical Task Team has also recently been established with both the developers in the area and the service departments to align programmes and service requirements.

7.1.5.9 URBAN MANAGEMENT

Management Associations are created via a condition of lease, which provides top up services to the municipal services in terms of cleaning, security, landscaping, etc.

Due to SEZ requirements, some of the zones are access controlled and the infrastructure therein remains the responsibility of DTP and is not handed over to the city for maintenance.

7.1.5.10 REPORTING AND EVALUATION

The indicators for this project will be populated along with the other council requirements as per the requirements of Circular 88.

Catalytic Project Matrix – Dube Trade Port	Response	
Location	Located in the PIC	SDF Sub Metropolitan Node
Responsiveness to the IPTN	Located in the IPTN Network	
Proposed Land Use	Commercial, Industrial and Aviation	
Impact on Rates	Positive Rates Generation	
Employment Generator	Positive Employment Generation	



Dube Trade Port (Dube City & KSIA precincts)



Dube Trade Port (Trade Zone 1 & 2)

7.1.6 NTSHONGWENI (URBAN CORE) DEVELOPMENT

7.1.6.1 PROJECT DESCRIPTION

The Ntshongweni Urban Node is the largest of several new developments, which collectively represent a significant development dynamic in the eThekweni Metropolitan Area, but particularly in the western region to the extent that a formal and efficient urban pattern of development is emerging in this region that includes:

- Lifestyle and tourism-based developments moving inland from the coastline, with the Hillcrest, Summerveld and Kloof areas forming some of the most sought-after residential properties in the EMA;
- New lifestyle estates and consolidation of residential development and associated services on sites around and within existing residential areas;
- High quality office park developments to the north and north-east of the proposed Ntshongweni Urban Node;
- Hi-tech business parks and freight and logistics industries in what is head-and-shoulders the pre-eminent freight corridor in Africa and the SIP status that goes with this in terms of National Government policy support along the N3 corridor;
- Associated industrial and commercial consolidation within this N3 corridor; and
- Golf, equestrian and leisure facilities within the wider Ntshongweni Urban Node including Kloof Country Club, Cotswold Downs Estate and the Durban Shongweni Equestrian Club and its associated renowned polo establishment and the Summerveld Jockey Academy and race track.
- The project fall within the PIC for the city.

The total investment value for Ntshongweni Urban Development is 90 billion over a 20 year period, and it is expected to create 19000 construction jobs and 8500 permanent jobs. After completion of phase one the total investment value on real estate is estimated to be approximately 8 billion.

7.1.6.2 SPATIAL PLANNING AND TARGETING

Ntshongweni falls within the Prime Investment Corridor.

Ntshongweni Urban Development Node

INFLUENCING PLANS

SIP2 – DURBAN-FREE STATE –GAUTENG LOGISTICS AND INDUSTRIAL CORRIDOR

The proposed Logistics and Industrial Corridor has been identified as part of the SIP2 in the National Development Plan.

Phase one development is the Mall of the West and a Business Park.

ETHEKWINI SPATIAL DEVELOPMENT FRAMEWORK (SDF) 2018

The current SDF supports and reinforces the proposals of an urban development node in Ntshongweni to catalyse development along this logistics corridor.

Ntshongweni node will specifically have a number of characteristics and will include higher residential densities, mixed use, public transport and pedestrianisation, public amenities and good infrastructure with the level of services. A proposal for a long-term dedicated “Freight Route” that will traverse Ntshongweni Urban Development node has also been integrated with the LAP for the Ntshongweni area.



Phase one priority projects

Priority	Project Description	Municipal	Provincial	National	SANRAL	Private Sector
1	Mall of the West					R2.5 Billion
2	Kassier Road Upgrade	R259 Million				
3	Sewer and electricity	R68 Million				
4	Business Park					TBD

Table 43 Funding per Priority – Nsshongweni

7.1.6.3 PREPARATION

This project forms part of the national government development plans NDP termed the SIP2 which is the Durban to Gauteng logistics corridor. It aligns with the Spatial Development Framework for eThekweni Municipality and the Ntshongweni Urban Development node will comprise residential development both private and public housing, commercial, retail, business parks and public transport.

The main partners in this development is Tongaat Hulett Development who owns the land, Fundamentum, developer of the Mall of the West, eThekweni Transport Authority, KZN DOT, KZN Economic Development, Tourism and Environment (EDTEA).

7.1.6.4 RESOURCING**Resourcing**

Priority	Project Description	Municipal	Provincial	National	SANRAL	Private Sector
1	Mall of the West					2,3billion
2	Kassier Road Upgrade	259m				
3	Sewer and electricity	68m				
4	Business Park					500m

Table 44 Funding per Priority – Nsshongweni

7.1.6.5 IMPLEMENTATION

The project is championed by Tongaat Hulett Development working in collaboration with KZN Economic Development, Tourism and Environment, eThekweni Municipality, KZN Human Settlement, Fundamentum and KZN Department of Transport.

7.1.6.6 URBAN MANAGEMENT

Precinct plans are complete and have been approved by eThekweni Municipality.

Ntshongweni Land Use Management Scheme has also been approved.

Tongaat Hulett Development is the sole land owner and will manage the sale of land, the development of the various projects within this development as they do in all the development, they implement within eThekweni Municipality.

7.1.6.7 REPORTING AND EVALUATION

There is a team comprising representatives from Tongaat Hulett Developments, Ethekeweni Municipality, Fundamentum, Provincial departments that is tasked with reporting on progress to the provincial cabinet where there are challenges.

The team will also ensure that there monitoring and evaluation of the transformation goals that have been set for this development.

Catalytic Project Matrix – Ntshongweni	Response	
Location	Located in the PIC	SDF Investment Area
Responsiveness to the IPTN	Located in the IPTN Network	
Proposed Land Use	Mixed Use Residential, Commercial Industrial	
Impact on Rates	Positive Rates Generation	
Employment Generator	Positive Employment Generation	
Precinct Management	Management Association for Commercial areas and possible Residential areas as well. Developer lead precinct management initiatives.	

7.1.7 POINT WATERFRONT DEVELOPMENT – SPECIAL ZONE 91

The Durban Point Development Company through its Shareholders have worked to revitalise development that has stagnated over the past few years and now are in the process of developing with infrastructure provision underway.

The construction of the promenade will see the promenade extended from Ushaka all the way to the Harbour mouth and along the Harbour entrance channel which will encourage a continuous public access and a vibrant public environment. The promenade will be elevated to take account of the existing land fall and will fully accommodate the Water-Sports Club facilities, the Seine Netters and parking for the public beneath the walkway.

The road system is to be converted to a loop system which will be continuous within the Point Development area. The main access to the Point will be the existing Mahatma Gandhi and Shepstone Roads and it is proposed that an additional road link into the Point Development via Prince Street extension or any other similar link will be developed in the future.

A socio-economic assessment of the new proposals concluded that “there is no doubt that the proposed Development Plan will yield a range of measurable positive impacts, in the immediate area of the development, in the CBD, in respect of job creation, rates revenue, national tax revenue, as a contribution to the overall quality of the City of Durban.” Approximately 11,000 construction phase jobs are likely to be created per annum, 6,750 more permanent jobs are likely to be create and local existing property values are likely to increase by some 10%. Central Durban property values are likely to increase by 5%. It is also anticipated that an approx. of ZAR200 million per annum of rates revenues to be generated for eThekweni and anticipated GDP / GVA Contribution of an approx. of ZAR700 million once this development is completed.

7.1.7.1 SPATIAL PLANNING AND TARGETING

This project falls within the Prime Investment Corridor.

Land Use Mix

Priority	Project Description	Municipal	National	Private Sector
1	Bulk Infrastructure (Watermain Upgrade, Water and Sewer Reticulation,	X		
2	Extension of Promenade	X		
3	Parking Garage (PPP)	X		X
4	Land Development			X

Table 45 Funding per Priority – Nsshongweni

Foreign Direct Investment through investment of UEM Sunrise, an Investment Company owned by the Malaysian Government. Shareholding owned through RocPoint in Durban Point Development Company

Private Sector Developers developing various sites within the precinct.

Priority	Project Description	Municipal	National	Private Sector
1	Bulk Infrastructure (Watermain Upgrade, Water and Sewer Reticulation,	0,295		
2	Extension of Promenade	0,330		
3	Parking Garage (PPP)	TBD		TBD
4	Land Development Phase 1			1,5
Total Precinct Requirements		0,628bn	N/A	1,5bn

Table 46 Funding per Priority – Nsshongweni

7.1.7.2 URBAN MANAGEMENT

- Revised Inner City Local Area Plan approving 7 Precincts with Point Waterfront falling within the Beach Precinct being one of the 7 precincts. Overarching Densification Strategy;
- Underpinned by four spatial principles;
- Connected City- physical connections, roads, cycle pedestrian;
- Walkable City – mixed use & densified with access to public transport;
- Integrated and Inclusive Inner City – wide range of housing typologies; and
- Unlocking the Inner City's Potential – regenerate & expand, big & small projects.

Catalytic Project Matrix – Point Waterfront	Response	
Location	Located in the PIC and the CBD	SDF Metropolitan Node
Responsiveness to the IPTN	Located in the IPTN Network	
Proposed Land Use	Mixed Use Residential, Commercial Industrial	
Impact on Rates	Positive Rates Generation	
Employment Generator	Positive Employment Generation	
Precinct Management	Management Association also demarcated as a Special Rateable Area	

7.1.8 RIVERTOWN PRECINCT DEVELOPMENT – PUBLIC REALM UPGRADES

7.1.8.1 PROJECT DESCRIPTION

Rivertown Precinct lies to the east of Durban CBD, between the city's International Convention Centre (ICC) and Durban's beachfront. The precinct is formerly Durban's light industrial area with several low-rise warehouses, some of which are of heritage value. A canal diagonally traverses the precinct along John Milne Street. Currently the canal is enclosed and water from areas that were formerly wetlands in the city bowl drain into the canal and are dispersed into the Harbour at Cato Creek.

Rivertown will be a destination for a diverse and sophisticated inner-city community with a mix of contemporary apartments, offices and cultural venues of different sizes. It will also capture the rhythm and spirit of Durban's Beach Lifestyle, while incorporating the amazing culture of Durban. Showcasing the best in contemporary design, Rivertown precinct will retain strong links to its rich heritage. Chimney stacks and industrial relics will stand as landmarks to the past.

Heritage buildings will be re-purposed and re-imagined for contemporary activities. Street and outdoor spaces will become exciting open-air galleries and stages for performance

This project is limited to public realm upgrades which are aimed at creating a connected, walkable, integrated and a city that realises its potential. The precinct has potential but it needs to be linked with the ICC and the beachfront with the intention of enabling pedestrian movement between these major attractions in the city.

The investment value is 44 million Rands and no private sector contribution are necessary for these upgrades. Only construction jobs are expected to be created by these public realm upgrades. The site is located in the city's PIC and can be easily accessed via the IPTN.

Priority	Project Description	Municipal	National	Private Sector
1	Public realm upgrades	44Million		
2	Pedestrianisation of John Milne	TBD		
3	Linkage to the Beach and ICC	TBD		
4	Mixed Used Development			TBD

Table 47 Funding per Priority – Rivertown

7.1.8.2 SPATIAL PLANNING AND TARGETING

The project falls within the Prime Investment Corridor and forms part of the list of projects proposed in the Innercity LAP which recommended that in order to regenerate the CBD, firstly there must be improvement in the quality of public realm so that it attracts investment in the CBD.

The only engagement that the city had with property owners was to inform them about the proposed upgrades and it is then that the property owners got the opportunity to input into the plans as it relates to their operations.

7.1.8.3 CLDP PREPARATION

Rivertown Precinct project will be implemented by the eThekweni Municipality and there is no funding required from other sources at this stage.

7.1.8.4 CLDP RESOURCING

The project has been allocated 44 million for public realm upgrades by the city's treasury and no other sources required.

No funding is required from other sources for the proposed public realm upgrades. The private sector is expected to invest on their properties by allowing for move towards a mix use development comprising commercial, retail and residential so that there is activity in the precinct 24 hours a day and 7 days a week.

7.1.8.5 IMPLEMENTATION

Development Engineering from eThekweni Municipality are the implementers of this project. Other related projects in this vicinity is the Beerhall rejuvenation as the building is in a state of disrepair.

Phase two in the precinct will be the pedestrianisation of John Milner Street as a linear market with more live performances.

7.1.8.6 URBAN MANAGEMENT

After the implementation, the precinct will be incorporated into one of the UIPs in the CBD to manage and maintain. ITRUMP will oversee the entire process as their task is to ensure that the innercity is managed properly.

7.1.8.7 REPORTING AND EVALUATION

After completion of these upgrades ITRUMP will ensure that the infrastructure is well maintained. Since this project is first one implemented after the approval of the innercity LAP, private sector response in terms of investment attracted will be monitored.

Catalytic Project Matrix – Rivertown	Response	
Location	Located in the PIC and the CBD	SDF Metropolitan Node
Responsiveness to the IPTN	Located in the IPTN Network	
Proposed Land Use	Mixed Use Residential, Commercial	
Impact on Rates	Positive Rates Generation	
Employment Generator	Positive Employment Generation	
Precinct Management	UIP approach to be used on completion of project. AMB will assist with the management of this precinct as part of the overall inner city management.	

7.1.9 VIRGINIA AIRPORT SITE RE-DEVELOPMENT

The eThekweni Municipality Catalytic Projects Unit has embarked on a process to unpack the Land Development Strategy and Framework to determine the viability of redeveloping the Virginia Airport Site situated along the M4 in Durban North. The site measures 29.6 hectares, although the portion with a development potential is approximately 9.8 hectares according to some of the high level studies undertaken in recent years, the developable land has potential bulk of 99 470 m². The site is currently zoned as an airport in terms of land use. The City owns the land where the Virginia airport site is located. The site is leased to operators for both business and recreational aviation. The airport redevelopment site is located in the PIC and along the IPTN C2 corridor. This projects provides for additional residential and commercial activities via a mixed use proposal.



To date, the Municipality has undertaken numerous studies outlining aspects of (1) economic and financial benefits of the current and future aviation operations at the site, (2) relocation options of the operations to locations within and outside of eThekweni, and (3) development principles and high-level constraints analysis.

In recent months, the municipality has received (unsolicited) proposals from private developers for the site as well as the neighbouring Beachwood Golf Course, for a mixed-use development. The Municipality has now realized that there may be significant market pressure to redevelop the site for a number of uses that have a wider municipal benefit than what is currently happening on the site. On the other hand, the Municipality's Spatial Development Framework and Local Areas Plans (including the Inner-City LAP), have not provided an alternative development scenario for the property.

To get a full appreciation of the site development process, the municipality is now revisiting previous studies undertaken for the site and is sourcing out the services of Government Technical Advisory Centre (GTAC) to appoint a Transaction advisor and Technical specialists on behalf of the municipality to undertake land preparation studies for the site in terms of town planning applications, environmental applications and bulk infrastructural studies. The Transactional adviser will be responsible for coming up with a development model for the site and land management of the existing tenants on site.

7.1.9.2 SOCIO ECONOMIC BENEFITS

The existing high level studies have given the following development scenario estimate value of the project as outlined below:

Option 1: Site remains as an Airport (Do nothing option):

Total Contribution to Employment over a 10 year period: 2 728

Total Contribution to the GDP in (R'm): R 785million

Option 2: Site Remains with Extended Runway (Capex – R7,5m:

Total Contribution to Employment over a 10 year period: 2 756

Total Contribution to the GDP in (R'm): R 791million

Option 3 Outright Sale of Land to Developers with a redevelopment concept of mixed use development with high end residential use:

Total Contribution to Employment over a 10 year period in construction: 17 533

Total Contribution to Employment over a 10 year period in operation: 14176

Investment value: R 6 040 814 431,17

7.1.9.2 PROJECT STATUS:

The project is currently at planning stage with the expected appointment of GTAC to initiate the land preparation applications for town planning, environment and engineering studies. The Transactional Advisor will finalise the most viable development model of the site and finalise the land management of the existing tenants.

7.1.9.3 SPATIAL PLANNING AND TARGETING

The Municipal IDP notes that “There are only a few strategic land parcels owned by the Municipality. This includes the Point, the drive-inn site, the Pavillion site on the beachfront, Virginia airport, the Virginia site, and Block AK.”

In terms of the need for economic development and job creation, there is a need to review the Land Policy and change the priority for the allocation of municipal land from housing to economic development. The municipality further asserts itself as the gateway to Africa and the Spatial Development Framework of the eThekweni Municipality identifies the site where Virginia Airport is located as one of the few untapped major economic nodes of the city.

7.1.9.4 RESOURCING

This will be determined once GTAC processes are finalised. A capital investment modelling and financing strategy covering specific funding requirements and potential funding sources will be developed. Optimal utilisation of maximum leveraging with private sector finance will be a key driver of the financing strategy.

Catalytic Project Matrix – Virginia	Response	
Location	Located in the PIC	SDF Investment Node
Responsiveness to the IPTN	Located in the IPTN Network	
Proposed Land Use	Mixed Use Residential, Commercial	
Impact on Rates	Positive Rates Generation	
Employment Generator	Positive Employment Generation	

Precinct Management	Still to be decided , possible management association model.
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7.10 WARWICK JUNCTION

Warwick precinct redevelopment project aims to restructure transport facilities and operations, as well as social economic activities and social fabric, within a wider strategic framework for the area.

Projects underway in the Warwick area include: Berea Station Mall, taxi holding facility, creation of a cold room storage, informal trade infrastructure upgrade. Crucial in promoting linkages between work and residential destinations. The Precinct accommodates vast number of commuters and therefore the area has developed into a major economic node boasting student accommodation, retail and social housing opportunities. This is one of the city's key economic node and is located in the heart of the city in the PIC. The IPTN also traverses the project site and this project site is one of the key intermodal facilities in the city. Development of the Warwick Junction is also seen as part of the larger Inner City Redevelopment projects. This project site can be accessed via the C1, C2, C5 and the Rail corridors.

- Investment Value R 1.3 Bn;
- Annual Rates R 250 000 per annum;
- Construction jobs 3 500; and
- Permanent Jobs 2 670.

7.10.1 SPATIAL PLANNING AND TARGETING

The Warwick Junction Precinct falls within the Prime Investment Corridor and is the dominant public transport node within the eThekweni Municipality and its appropriate functioning is therefore essential in terms of the municipality's transport strategy. It is the largest intermodal precinct, with the convergence of rail, bus and taxi routes and thus crucial in promoting linkages between work and residential destinations and subsequently the use of Public Transport in the city.



As one of the consequences, the Warwick Precinct accommodates vast numbers of commuters and the area has therefore developed inter alia into a major economic node, both in terms of formal and informal economic activities. The easy accessibility of the area for a great number of the metropolitan population has also created demands and opportunities on the Warwick Precinct for social and community amenities. At the same time, the area forms one of the major gateway into the Durban CBD and priority projects in the precinct include the following; Julius Nyerere as a pedestrian priority linear, market street, Market Street as vehicle priority, Deck over Market Street – connect market

and station, Deck over Market Street allows new bridge link to Bertha Mkhize (Victoria) Street, Public transport nodes integrated with public space N, S & centre Use of air-rights over transport infrastructure, Residential densification, incl public housing, Reclaim bad buildings, Mixed use – average 60% residential, Local amenities & 24 hour activity and Space and infrastructure for informal trade

Warwick Junction development comprises a variety of projects done by eThekweni Municipality, private sector and Prasa. Currently the three parties are working in collaboration to prepare a masterplan which will be used as a vehicle to integrate and implement all the projects that will result from the process. Human Settlement have already appointed a social housing company to provide 500 rental units in the precinct.

DUT has already erected about 5 000 beds for their students in the precinct and have also completed their masterplan which will guide development in the next 20 years. This plan has been prepared in collaboration with eThekweni Municipality and there is alignment.

eThekweni Municipality is currently preparing a masterplan which will incorporate all current and future proposed projects from both the private and public sector in Warwick Junction so that it becomes that major entry points to the city.

7.1.10.2 RESOURCING

The private developer (Fundumentam) is investing about 350 million in the shopping centre on top of Berea train station and EtheKweni Municipality is contributing 150 million for the taxi holding facility, EtheKweni Transport Authority are contributing 200 million towards a multi storey taxi holding facility to cater for more taxis, Human Settlement is contributing 250 million for Social Housing and DUT has already invested 100 million on student residences.

Priority	Project Description	ETA	Human Settlement	DUT	PRASA	Private Sector
1	Multi Taxi Holding Facility on Gale Street	TBD				
2	Social Housing		TBD			
3	Taxi Holding Facility on Berea Station	R200 Million			TBD	TBD
4	Student Residences			TBD		
5	GoDurban Routes and Stations	TBD				
6	Berea Station Mall					R350 Million

Table 48 Funding per Priority – Warwick

7.1.10.3 IMPLEMENTATION

There is Draft MOA that is currently being considered which will be used to implement all the projects in the precinct. Human settlement has already appointed a Social Housing Company to build 500 rental units in the precinct which will provide much needed accommodation.

There is also 2 DUT Campuses on the precinct and DUT has partnered with the city so that their development plans are aligned with the city's masterplan for the precinct.

eThekweni Transport Authority is currently doing their final feasibility and route allocation plans so that it guides the implementation of the GoDurban innercity distribution network. As part of this study, the city is reviewing the existing precinct plans to create a masterplan for the area to guide future regeneration projects in Warwick Junction

Prasa is doing modernisation of the train station at Berea and will also be contributing to the erection of the taxi holding facility.

7.1.10.4 URBAN MANAGEMENT

There is a private developer who has aerial rights over Berea Station Mall who will be building a mall and has partnered with the city to erect a taxi holding facility above his mall. ETA has also confirmed the intention of erecting a multi storey parking facility to accommodate the large numbers of taxis coming from the southern areas of the city. This will assist in creating the requisite infrastructure that is much needed by the taxi industry ie serving garages, washing bays and other ancillary infrastructure to improve the taxi operations in the precinct.

ITRUMP are the urban management that is based in Warwick Junction to maintain and manage the infrastructure. The intention is to add capacity where it is lacking and provide additional resources required to manage the entire precinct.

There is an existing scheme in the precinct which is used to manage land use so that there is harmonious development.

7.1.10.5 REPORTING AND EVALUATION

The impact of this development will be assessed through enforcement agencies working in the precinct for example metro police will report on the number of offences before and after the development. SAPS will inform the city if the crime in the area has decreased or increased.

Business Licencing will document compliance of businesses in the precinct

Business Support Unit will assess the number and the quality of informal trading space before and after development see if there has been improvement.

Catalytic Project Matrix – Warwick Junction	Response	
Location	Located in the PIC	SDF Metropolitan Node
Responsiveness to the IPTN	Located in the IPTN Network	
Proposed Land Use	Commercial and Transport Hub	
Impact on Rates	Positive Rates Generation	
Employment Generator	Positive Employment Generation	
Precinct Management	Managed via the ABM ITRUMP	

7.1.11 BRIDGE CITY & KWAMASHU TOWN CENTRE URBAN HUB

Bridge City is a Joint Venture between the eThekweni Municipality and Tongaat Hullett. Bridge City is the northern bookend of the C3 Corridor and is supported by an Intermodal Transport Hub. In order to support the transport element of the Corridor, the Bridge City Precinct has been amended to allow for a vibrant and robust mix of land uses that allows this Town Centre to develop very much in line with other Town Centres within the Municipality's area of jurisdiction. Bridge City is located in the PIC.

The Durban Planning Scheme manages and directs the land use activities within the Bridge City Precinct. In order to ensure its sustainability, the Precinct is divided into the Town Centre Precinct and the Business Park Precinct. This allows the City to realise the vision of a liveable City, in that people live, work and play in the same Precinct.

7.1.11.1 PROJECT DESCRIPTION

Bridge City is located in the heart of, and services the communities of Inanda, Ntuzuma, KwaMashu and Phoenix. The precinct is no different from the Umhlanga Town Centre in that Bridge City has a Town Centre as well as a Business Park. The Precinct has proved to be highly functional and vibrant as a result of the emerging land use mix that comprises retail, commercial, business and residential offerings and opportunities. Coupled with the vibrant land use mix, the precinct is supported by an already operational Regional Magistrates Court, a soon to be opened Regional Public Hospital comprising of some 500 beds, a thriving shopping centre (48000m²) as well as inter-modal public transport facility comprising a train and bus station. Rental housing stock in the form of Social Housing, as well as higher density housing is also entering the market; with interest shown in both categories. To date proposed, there are 350 units that are in the affordable housing category; with 1800 social housing units being proposed, which includes 500 units in the adjoining growing KwaMashu Town Centre. A private hospital comprising of some 150 beds is also in the design phase; as well as other business and warehousing developments. Thus, the precinct enjoys a high commitment of both public and private offerings. There is an R8bn investment across the private and public sectors. It is anticipated that 700 000 commuters will be served on a daily basis when the entire project is completed. A projection of R62 Mil is anticipated towards rates for the City upon completion of the entire project.

Temporary jobs included 1500 construction jobs; and 6300 top structure jobs per annum during the construction period to date. 8000 permanent jobs have also been created.

7.1.11.2 SPATIAL PLANNING AND TARGETING

This project falls within the Prime Investment Corridor.

Priority	Project description	Municipal	Provincial	National	Prasa	Private	Eskom
1	Inter-modal transport hub	X					
2	Brt	X					
3	Bulk water	X					
4	Public hospital		X				
5	Social housing					X	
6	Government precinct	X	X	X			

Table 49 Roles and Responsibility – Bridge City

In order to assist Developers and grow the Precinct, most land uses in the Town Centre are free- entry. This means that there is no planning application such as a rezoning/special consent that is required. Rather, Developers should proceed

directly to the building plan phase. Considering that Bridge City is a bookend on the C3 Corridor, it automatically receives Catalytic Project status. Thus, Developers can enjoy a fast track building plan process that enables them to hit the ground sooner. This results in jobs for people, and rates for the City.

Clearly, the JV has a mandate to promote sustainable development of the area; it is committed to honouring its mandate in that regard. While the JV is also subject to compliance with legislation, there is no reason why they should be exempted from the same.

- Courts constructed- Public Works;
- Regional Hospital – Provincial;
- Bridge City Shopping Centre- Private;
- Private Hospital- Private;
- Social Housing- Municipal and Province; and
- Social Housing – Private.

7.1.11.3 PREPARATION

This Project is the bookend of the C3 Corridor. The C3 Corridor runs from Pinetown in the west to Bridge City in the North. The purpose of the Corridor is to move people from the dense suburbs of the north to work opportunities in the west.

Stations along the corridor, enjoy higher densities and reduced parking requirements and a greater variety of land use mix. Thus, Bridge City as a bookend should have the same. Thus, Bridge City is a catalytic project.

The development of Bridge City has largely been through the sale of land to the private sector; however, the public sector has also contributed and this can be seen in the emerging land use mix as demonstrated thro' out this document.

Bridge City enable integration, that is, mixed and intensified land uses where the residential land use caters for people across various income bands and at increased densities that better support the viability of public transport systems;

Bridge City is strategically located within integration zones; and is a game changes in that the nature and scope of the projects are likely to have significant impact on spatial form and unlock economic activity.

7.1.11.4 RESOURCING

This is a Joint Venture Project- City of Durban and THD.

7.1.11.5 IMPLEMENTATION

- Supported by integrated infrastructure plan;
- Collaborative;
- Resilient; and
- Vibrant mix.

7.1.11.6 URBAN MANAGEMENT

The area is governed by Precinct Plans that include detailed urban management directives. This results in a high quality environment which delivers on the City's Vision of a liveable City.

Catalytic Project Matrix – Bridge City	Response	
Location	Located in the PIC	SDF Urban Node
Responsiveness to the IPTN	Located in the IPTN Network	
Proposed Land Use	Commercial, Civic and Transport Hub	
Impact on Rates	Positive Rates Generation	
Employment Generator	Positive Employment Generation	
Precinct Management	Management Association	

7.1.12 INNER CITY SOCIAL HOUSING

7.1.12.1 PROJECT DESCRIPTION

The revitalisation and economic recovery of the Inner City will not be led by zones that determine height, bulk and buildings controls. It will be done by the investment in and the positioning of key infrastructure and the convergence of a linked plans and budgets that feed off each other. The various precincts within the Inner City have different roles and sites and routes that inform each of its distinctive future development and redevelopment. Unlike large greenfield housing projects like, for example, Cornubia, the existing project scales, the use of existing buildings and elements have to engage in adaptive reuse in conjunction with new developmental agendas.

The use of social housing as a primary government subsidised instrument stands in stark contrast to other human settlement catalytic projects like Amaoti and Umlazi. The Inner City falls within the Prime Investment Corridor where perhaps the greatest mix of incomes and housing typologies (although largely flats and apartments with no RDP developments at all) exists within a multi land use urban fabric.

There are 3 categories of residential development in the Inner City: public housing delivered by the state – few and notably the Thokoza Womens Hostel is a throwback to apartheid implementation. Secondly, private development and this has generated a vast range of residential opportunities for a wide range of income levels, mostly in the form of apartments. The last, and newest form of housing delivery is in the form of social housing institutions. These can be in the form of new buildings on greenfield sites, additions, alterations or conversions of existing buildings to residential by either public or private entities, including institutions like social housing companies.

The average household income of Inner City residents is below R15,000 pm. The concentration of resources and amenity makes the inner city attractive to the marginalised. Inner city livelihood opportunities create demand for affordable live-work arrangements. The social housing proposals fits into this target market.

In order to release the potential residential development to be a driver of regeneration in the Inner City it has to be accompanied by a set of interventions covering, inter alia, major infrastructure investment, clarity around public transport systems, a commitment to coordinated and sustained urban management and public realm upgrades and the facilitation of upgrading bad buildings.

Today the Inner City of Durban is a diverse and complex part of the city, rich in culture and opportunities. It is characterised by its strategic location both as a major CBD and its Port linkage, significant transportation exchange and networks, accessible metropolitan and local facilities, key sporting and recreation facilities, concentrated and diverse population and activities, as well as complex formal and informal networks and exchanges.

7.1.12.2 SOCIO ECONOMIC BENEFITS

- Investment Value R143mn 2019/20 - (SHI sector investment); and
- Annual Rates - SHIs contribute to services payments.

7.1.12.2 PROJECT STATUS

Five sites have been awarded to Social Housing Institutions (SHIs) during the 2018/19 financial year that project a total yield of approximately 750 units. A sixth site is issuing a request for proposals in the Moses Mahbida Stadium area that will address the potential of approximately 1500 social and gap units.

Another set of 5 sites are going through a set of feasibility assessments that could potentially provide up to 6000 units are currently underway.

The Lancers Road site – one of the five sites that has been awarded to a SHI - is located within the Warwick Junction. It will be reconfiguring a listed building formerly used as offices for social housing. This node accommodates a huge

number of commuters on a daily basis. The node is also adjacent to the Durban University of Technology which has recently built student accommodation. In conjunction with significant public transport investments by both ETA and Prasa the Warwick Junction presents a solid case for developing linkages for student and residential accommodation, retail and economic trading.

7.1.12.3 PROJECT STATUS

All five projects are awaiting approval from SHRA before the end of the financial year. The Umngeni Precinct Request for Proposals (RFP) is scheduled to be put to public tender during March / April 2019.

7.1.12.4 INVESTMENT STRATEGY

The potential economic multiplier effects from increasing the resident inner city population across all market segments is significant. The focus in the Inner City region is primarily social and gap housing. This also implies a shift in focus (or at least, from the point of view of government subsidized housing, a dual focus) from 'slums clearance' – through the provision of incremental services and in-situ informal settlement upgrades to further densification of identified integration zones such as the Inner City and the precincts within.

Residential use may be a primary vehicle for new and transformed fabric that must not be seen simply as housing provision, but as residential development integrated with public realm improvement, economic opportunities, affordable public transport, excellent urban management and good governance.

7.1.12.5 SPATIAL PLANNING AND TARGETING

This programme falls within the Prime Investment Corridor. The social housing projects form part of the list of projects proposed in the Innercity LAP which collectively are required to regenerate the CBD. At this point they don't necessarily coincide directly with all of EDUs catalytic projects. However, they do coincide with a series of council owned land and properties. They are all earmarked to straddle across a range of income levels and contribute to the principle of integrated human settlements.

All are located either directly within a broader municipal regeneration project and certainly within close proximity to existing public transport routes. The next 'generation' of potential social housing projects are also proposing the use of council assets as a springboard to introducing social housing income strata within the existing broad range of income levels in the CBD and Inner City.

7.1.12.6 PREPARATION

Ethekeeni Municipality is to provide land or building. The five projects will be implemented by the appointed SHIs. SHRA will assess the business plan and, in conjunction with the SHIs, determine equity required with subsidies. The city is awaiting the assessment as SHRA.

Priority	Project Description	Municipal	Provincial	National
1	Table Tennis Building	Provision of Building		SHRA subsidy
2	44 Lancers Road Building	Provision of Building	Originally donated by Public Works	SHRA subsidy
3	71 Play fair Road	Provision of Building		SHRA subsidy
4	Morans Lane	Provision of Land		SHRA subsidy
5	Umngeni Road	Provision of Land		SHRA subsidy

Table 50 Roles and Responsibility – Social Housing Projects

7.1.12.7 RESOURCING

As indicated each project will source funding through each SHIs ability to put forward its own capital resources as well as sourcing through the subsidies and possibly its own equity or raising further capital as required.

EtheKwini Municipality can contribute as in the case of the Warwick Junction to public realm upgrades. Simultaneously, other projects will have to coordinate the same public realm upgrades as required.

The sequencing of project building and other catalytic interventions need to be procured and implemented systematically and sequentially.

7.1.12.8 IMPLEMENTATION

Implementation is taking place per project in conjunction with specific urban regeneration projects such as Warwick Junction.

Implementation of projects are set with the LAPs precincts within the broader programme both by the private (land and property developers) as well as the public sector.

7.1.12.9 URBAN MANAGEMENT

The revised Inner City Local Area Plan approved 7 Precincts. After the implementation, each of the social housing buildings will be managed by the respective SHIs. The precincts will be incorporated into the ITRUMP and city departments' operational management systems.

7.1.12.10 REPORTING AND EVALUATION

The indicators for each project will be populated along with the other council requirements.

Catalytic Project Matrix – Inner City Housing	Response	
Location	Located in the PIC	SDF Metropolitan Node
Responsiveness to the IPTN	Located in the IPTN Network	
Proposed Land Use	Inner City Residential	
Impact on Rates	Positive Rates Generation	
Employment Generator	Limited employment generation post development	
Precinct Management	ABM ITRUMP	

7.1.13 UMLAZI

7.1.13.1 PROJECT DESCRIPTION

Umlazi is a developed township in the southern region of eThekweni Municipality. It is the second largest township in the country after Soweto. It is part of the approved National Department of Human Settlements approved catalytic project. The Umlazi initiative is an integrated governmental venture between the National, Provincial Departments of Human Settlements, eThekweni Municipality and the Housing Development Agency. Umlazi has one of the highest concentrations of formal apartheid-built dwellings interspersed with a significant number of informal settlements.

There are also initiatives in terms of public transport – both Prasa and eThekweni's Transport Authority (ETA).

7.1.13.2 SOCIO ECONOMIC BENEFITS

- Investment Value R172 million (2019/20); and
- Annual Rates BNG units not rateable and limited free water and electricity provision.

7.1.13.3 PROJECT STATUS

Phase 1 – 5 completed (15 000 units)

Phase 6 – detailed planning for additional 5000 units with SCM. Appointment was made in March 2020.

7.1.13.4 INVESTMENT STRATEGY

The city's Human Settlements Unit has identified 30 of the 50 highest priority informal settlements in its southern region are located in Umlazi. Therefore, clustering those 30 informal settlements along with other informal settlements in the Umlazi region has spatial concentration issues. Recognising that relying purely on the provision of formal units will be a slow process, the strategy is to deliver a combination of both full upgrades and incremental services. The combination of using USDG and HSDG subsidies in conjunction with a host of infrastructure service delivery, as well as, public transport mechanisms will provide a more holistic residential development. In addition, the hitherto built RDP / BNG units also addresses the delay in the provision of title deeds. The long-term implication for upgrade to formal unit development is to eventually address the development of a secondary property market.

7.1.13.5 LAND USE STRATEGY

Viable and appropriately sized land to deal with overly dense and settlements in hazardous conditions is difficult in the Umlazi area. Audits of state land is critical. This requires acquiring private land within close proximity to those settlements where the footprint either occupies private land and to further acquire land where required to extend the footprint of settlements. This includes Prasa addressing both lands encroached by informal settlements and addressing potential surplus land that can be used for decanting or relocating within the boundaries of the locality of the settlements and the Umlazi region – including the neighbouring Isiphingo Urban Regeneration Project region.

A long-term strategy is also to address both the backlog of title deeds and to stimulate the secondary property market is underway.

7.1.13.6 SPATIAL PLANNING AND TARGETING

The Umlazi programme falls within and adjacent to the Prime Investment Corridor and is strategically located partly as an infill area. The two primary public transport routes, namely the C2 rail corridor and the Griffith Mxenge highway runs through the Umlazi area. Feeder routes supply the main highway. The area as a whole is strategically located on the edge of the South Durban Basin (SDB). Prasa has completed one mega station, namely, KwaMyandu station. eThekweni Municipality and Prasa are currently in negotiation for the integration (and possible relocation) of the informal settlement occupying Umlazi J station. Discussions have been initiated between Prasa and eThekweni to

address land release mechanisms to allow for a more holistic approach to residential development along public transport routes.

The assessment of the clusters of informal settlements for the Part 6 upgrading initiative has a number of spin-offs. Firstly, it is rooted within the Human Settlements Prioritization model. So, while there are a significant number of informal settlements prioritising them has to be undertaken. Secondly, in certain cases land acquisition has to be undertaken where informal settlements have invaded private property. While sizable land (that is, anything more than a hectare is rare in the Umlazi area), there has been a record of small-scale acquisition to ensure that consolidation for an upgrade can take place. It should further be noted that land prices are considerably cheaper than land prices closer to the CBD and surrounds.

7.1.13.7 PREPARATION

As an integrated human settlements programme there are number of transverse governmental stakeholders involved in rolling out development in the area. The table below gives an indication of some of the projects to be rolled-out in the short-term by the various parties.

Priority	Project Description	Municipal	Provincial	National
1	Packaging of feasibility studies for Umlazi Part 6 for 4 clusters of the 15 wards@ 1000 units per ward	Implementer& co-funder	Co-funder	

Priority	Project Description	Municipal	Provincial	National
2	Title deed registration – overcoming the backlogs	Implementer& co-funder	Co-funder	

Priority	Project Description	Municipal	Provincial	National
3	Integrated TOD development at Umlazi J station	HSU, ETA, EDU /Business Support Implementer	Co-funder (HS – subsidies)	Prasa Implementer and co-funder

Table 51 Roles and Responsibility – Social Housing Projects

As per the Table 51 above there are a number of projects which are planned for implementation as a result of inter-governmental engagements and commitments to funding and implementation. The municipal public sector projects being planned also require engagement with a national agency, namely, Prasa. This, in turn, will have spin-offs for private sector land development projects in terms of the development of the associated retail and commercial investment within the station upgrade or precincts. In addition, the role of road based public transport also has to be linked to the development of the stations and feeder routes within the area.

7.1.13.8 RESOURCING

Umlazi has a number of projects already in the implementation stage and there a number of projects in more detailed planning stage. The clusters of Part 6 are simultaneously being prepared through the Municipality and Province.

Securing the necessary funding to undertake the implementation of in-situ upgrade will be done through the municipality and provincial department of human settlements. In the case of TOD involving Prasa and its current model of station development land value capture has to be more carefully planned. Land Audits are key to restructuring the built environment.

Priority	Project Description	Municipal	Provincial	National
1	Umlazi J Station Modernization			±R300m (Prasa)
2	ETA Feeder Routing – Umlazi J	tbd		
3	BNG Housing (upgrades & incremental): Part 6	tbd	tbd	

Table 52 Roles and Responsibility Funding – Social Housing Projects

7.1.13.9 IMPLEMENTATION

Upgrades and the implementation of incremental services is taking place across the region in a number of wards. A Steering Committee has been established to address the range of development issues around Umlazi J Station, including Technical Task Team meetings.

7.1.13.10 URBAN MANAGEMENT

A number of structures have been established to assist the linking of community and ward level guidance with relevant municipal line departments' provision of services, including infrastructure and civil services and social and economic services such as human settlements.

7.1.13.11 REPORTING AND EVALUATION

The indicators for the cluster based human settlements projects – incremental services and upgrades - will be updated as per the schedules along with the other council requirements.

Reporting to the joint eThekweni, Provincial HS Department and Housing Development Agency (HDA) in terms of programme management for the Umlazi catalytic project.

Catalytic Project Matrix – Umlazi	Response	
Location	Located in the PIC	SDF Urban Node
Responsiveness to the IPTN	Located in the IPTN Network	
Proposed Land Use	Largely residential with commercial activity	
Impact on Rates	Positive Rates Generation	
Employment Generator	Commercial activity has potential for employment generation	
Precinct Management	No Dedicated Precinct Management Approach – Municipal servicing of needs	

7.14 AMAOTI

7.1.14.1 PROJECT DESCRIPTION

Amaoti is one of the five approved National Human Settlements catalytic projects. It is the only one that has no history of formal township development pre or post 1994. It is unique in that regard. Given the history of informal settlement development in large cities it is therefore key to understand how catalytic development occurs that such a large informal settlement can be addressed. In terms of conditions on the ground it is made up of a cluster of established settlements each with its own sense of identity. To address each separate settlement independently would be difficult and the principle that a collective process would bear more fruit has been established.

The proposed Greater Amaoti project development comprising of 15 different areas, including Nigeria, Cuba, Palestine, Moscow, Namibia, Lusaka, Libya, Zambia, Angola, Mozambique, Tanzania, Brooksfarm, Zimbabwe, Geneva and Amaotana. The proposed project yield is estimated to be approximately 20 000 sites.

The Cuba area has been the first area of focus with 4 phases having been planned and so far, two phases delivering just under 200 units in the first phase. The other 3 phases are to address another 900 units and are either ready to be implemented or are in detailed planning stage.

The remaining areas are in a detailed planning stage.

7.1.14.2 SOCIO ECONOMIC BENEFITS

- Investment Value R23 million (2019/20)
- Annual Rates BNG units not rateable and limited free water and electricity provision.

7.1.14.3 PROJECT STATUS

- Cuba Phase 1: completed (200 units);
- Cuba Phase 2: 250 units ready to be implemented; and
- Cuba Phases 3 & 4: detailed planning for 700 units appointment ready.
- Other areas feasibility planning: appointment to be made.

7.1.14.4 INVESTMENT STRATEGY

The city's Human Settlements Unit has identified 15 areas within the Amaoti region. A combination of using subsidies and ensuring that improved road and public transport networks are made accessible to each of the 15 clusters – collectively and individually is part of the investment framework. The organic – albeit largely survivalist - informal trading within the settlements will develop further over time. This has to take place within a broader framework of residential and infrastructure development.

7.1.14.5 LAND USE STRATEGY

The initial land use development strategy suggests a range of housing typologies. This would include an In-situ component, High density- 3/4 storey walk ups, Incremental housing as well as a retail, service provision and residential mix. Without descending into a set of development clichés the land use strategy has to address a set of mixed uses within the existing informal fabric. This has to address not only residential redevelopment but include social and economic opportunities that can be traversed within a road and pedestrian network.

7.1.14.6 SPATIAL PLANNING AND TARGETING

The study area is situated within 5km of the Bridge City and Phoenix Industrial complex. By extension, the KwaMashu town centre is a further 2 km from Bridge City. Similarly, Cornubia Industrial and Business Estate and Umhlanga New Town Centre is less than 10km away to the West and King Shaka International Airport lies under 15km away to the North. Whilst it is relatively close proximity to opportunities it is nevertheless traditionally separated from these adjacent suburbs.

The site is currently serviced by both Bus and Taxi services but these do not provide sufficient coverage as they transverse through limited portions of the site. However, if such settlements are ignored or neglected in terms of a broader city prioritisation then the linkages and clustering will fall short if only viewed through a lens that catalysing can only take place within existing formal development or a greenfield area.

In the future, the Northern expressway, which forms part of the broader Aerotropolis linkages, will pass through Southern portion of the Study Area enhancing regional connectivity. Other important future linkages within the vicinity of Amaoti includes the IRPTN C3 corridor which will link Kwa-Mashu Town Centre, Mt. Edgecomb and Cornubia. These linkages ultimately provide connectivity to the economic anchors in the North of Durban.

7.1.14.7 PREPARATION

As a mixed use integrated human settlements programme there are number of both governmental and private sector stakeholders involved in rolling out development in the area. The table below gives an indication of some of the projects to be rolled-out in the short-term by the various parties. The City is awaiting the SHRA assessment for this project.

Priority	Project Description	Municipal	Provincial	National
1	Packaging of feasibility studies and implementation for Amaoti Cuba for 1000 units in phases	Implementer& co-funder	Co-funder	

Priority	Project Description	Municipal	Provincial	National
2	Feasibility studies for rest of Amaoti	Implementer& co-funder	Co-funder	

Priority	Project Description	Municipal	Provincial	National
3	ECD pilots (x 8)	Implementer& co-funder	Potentially Dept of Education and Dept of Social Services	

Table 53 Roles and Responsibility Amaoti

7.1.14.8 RESOURCING

Amaoti Cuba has a number of projects already in the implementation stage and there a number of projects in a detailed planning stage. The remaining clusters are simultaneously being prepared through the Municipality and Province. Securing the necessary funding to undertake the implementation of in-situ upgrade will be done through the municipality and provincial department of human settlements.

7.1.14.9 IMPLEMENTATION

Upgrades and the implementation of incremental services is taking place across the region in a number of wards.

7.1.14.10 URBAN MANAGEMENT

A full range of housing typologies and incremental service provision to existing informal settlements will require a far more holistic approach to urban management than dependence on formal suburban methods. This also includes the management of, for example, roads and stormwater management, land use management strategies and environmental management in a broader suite of systems.

7.1.14.11 REPORTING AND EVALUATION

The indicators for the cluster based human settlements projects – incremental services and upgrades - will be updated as per the schedules along with the other council requirements. Reporting to the joint eThekweni, Provincial HS Department and Housing Development Agency (HDA) in terms of programme management for the Amaotii catalytic project.

Catalytic Project Matrix – Amaoti	Response	
Location	Located in the PIC	SDF Urban Node
Responsiveness to the IPTN	Located in the IPTN Network	
Proposed Land Use	Largely residential with commercial activity	
Impact on Rates	Positive Rates Generation	
Employment Generator	Commercial activity has potential for employment generation	
Precinct Management	No Dedicated Precinct Management Approach – Municipal servicing of needs	

7.1.15 DUMISANI MAKHAYE DEVELOPMENT NODE

7.1.15.1 PROJECT DESCRIPTION

Dumisani Makhaye Development Node is a township development project located in ward 38 of eThekweni Municipality, on Erf 2342 of Westrich. The project area has been catalysed by the development of P577 (C3 Corridor) as well as the development of this road as part of the North west connector of the IPTN. The project is the first major development along the IPTN and is located adjacent to the Lindelani/Westrich station, the site also falls within the PIC.

The first phase of the project is the development of the Midway Crossing shopping centre which consists of 21000m² of bulk commercial GLA, the Go! Durban feeder facility, the Go! Durban safety and security centre, the Sizakala Centre, and the Newlands Express Way. The overall total investment value of the project is approximately 769 million. Municipality is funding approximately R349 million of the total budget.

The project is currently at execution stage with construction work broken up into two components namely the civil construction of the Newlands Expressway and the building construction which comprises of the Intermodal Facilities and the Private sector component of the Shopping Centre.

The second phase of the development will be to develop two land parcels owned by the Municipality both adjacent to erf 2342. The sites will be development as mixed-use development as part of the City densification programme. Currently the realise of the adjacent land parcels is with the City's land transaction division for assessment.

Whilst the development is a green field development, it is taking place in a built-up area therefore all the bulk services and infrastructure is in place currently on additional capacity is required with the node in terms of water, electricity, sanitation and road network

7.1.15.2 SOCIO ECONOMIC BENEFITS

Investment Value: R 760 895 521, 00 (excluding Vat)

Expected Construction Job: 300

Permanent: 100

Private Partner: Siveni Investment Pty Ltd

7.1.15.3 PROJECT STATUS:

The project is currently at execution phase following the appointment of Siveni to undertake the delivery of the project and the conclusion of a Memorandum of Agreement (MOA) between the city and Siveni. Construction work commenced in July 2019 broken up into two components namely the civil construction of the Newlands Expressway and the building construction which comprises of the Intermodal Facilities and the Private sector component of the Shopping Centre. The signed MOA between Siveni and the city details out the roles and responsibilities in the project, the reporting framework, and the Radical Economic Transformation target goals of at least 30% of the project value. To the effect that a multi stakeholder Steering committee has been established to guide and fast-track implementation of this project.



7.1.15.4 SPATIAL PLANNING AND TARGETING

Dumisani Makhaye Development is forms part of the broader C3 corridor spatial planning and zoning area and falls within the Prime Investment Corridor. The development is on a historic buffer zone/site this the development in particular the development of Newlands Expressway connects communities of Inanda, Ntuzuma and KwaMashu (INK) to the community of Newlands west.

Priority	Project Description	Municipal	National	
1.	Go Durban Feeder Facility		x	
2.	Completion of Newland Expressway (NDPG)		X	
3.	Construction of Ramps	X		
4.	Midway Crossing Shopping Centre			X

Table 54 Roles and Responsibility

Table 54 above illustrate some of the projects that are currently being implemented. The project is implemented using national treasury grant funding but are implemented through the Municipality.

In addition to the Public investment by various spheres of government there is also significant private sector investment anticipated within the node the development of the Mall and other retail facilities as well as the development of Gap housing and potentially a service station.

7.1.15.5 RESOURCING

As highlighted above due to the fact that the development of this node is in a build-up area, there is limited funding required for bulk infrastructure. Funding for the MRETf has been secured from a number of Departments to meet the current requirement for phase one of the development.

Precinct level design and site-specific feasibility will be undertaken by the Economic Development Unit in the 2020/21 financial year. There are currently no Urban Management structures established. It is envisaged that such a structure will include all property owners once the development is concluded.

7.1.15.6 REPORTING AND EVALUATION

The Indicators for this project is per the MOA signed between the city and Siveni.

Artistic Impressions of the Shopping Centre



Catalytic Project Matrix – Dumisani Makhaye Development	Response	
Location	Located in the PIC	SDF Urban Node
Responsiveness to the IPTN	Located in the IPTN Network	
Proposed Land Use	Commercial	
Impact on Rates	Positive Rates Generation	
Employment Generator	Positive Employment Generation	
Precinct Management	No Dedicated Precinct Management – Still in Construction	

7.1.16 AVOCA NODAL DEVELOPMENT PROGRAMME

The Avoca Nodal Development programme is strategically situated in the northern growth corridor of the city, with easy access to the site off the N2 via the M25 and R102. They are three affected sites which make up the programme area: **Brickworks, Rohill and Caneridge**. These subject sites together measure nearly 350 hectares in extent and therefore represent one of the last significant greenfields infill development opportunity nodes centrally located within eThekweni.

As mentioned above the broader Avoca node consists of three project sites to be developed by the below investors:

- Two major property developments, **Brickworks and Rohill**, being developed by Investec Property and JT Ross Properties respectively, as well as
- the adjoining **Caneridge** site which has been proposed for housing development by the City, has been put on hold due to poor financial viability of the project at this stage Project Status

The projects under this programme are at different stages of the project life cycle: **Brickworks** project has the project approvals in place, but construction has not started. The project recently finalized a 15 years rate rebates incentives with City. **Rohill** project is currently well underway with construction having commenced in 2018. The engineering services for both projects have been analysed in detail and eThekweni Municipality has confirmed that given certain upgrades required to the bulk infrastructure, the necessary essential services can be made available for the development of the two properties.

7.1.16.1 SOCIO-ECONOMIC BENEFITS

- Investment Value: R10billion
- Total Rates Revenue over 15 years: R1.1 bn
- Construction Jobs: 31 500 over a 15 years period
- Permanent Jobs: 18 000
- Other Benefits: Indirect and Induced impacts flowing from Avoca Nodal Development:
 - Resuscitation of the Industrial estates inline with the NDP and other strategic plans of the country;
 - This sector is historically known to be very labour intensive following the primary sector (agriculture, mining);
 - Hence increased employment opportunities and elimination of poverty and upgrading of socio-economic standards
 - The close proximity of the development to the N2 reinforces, the N2 role of being one of the country's key economic corridor

7.1.16.2 SPATIAL PLANNING AND TARGETING

- The three projects are located within the “*Northern Corridor*” which is rapidly expanding northwards.
- Within this area there is a cross-section of residential income groups as well as a number of industrial areas. Importantly, the area has large concentration of lower income areas such as Inanda and KwaMashu, which have a high degree of unemployment. There is a critical need to establish additional job opportunities as well as social housing. The subject projects in question are excellently situated to satisfy this need.
- The Spatial Development Framework below which indicates the highly developed northern corridor and how the proposed “*Priority Area*” is strategically located within this corridor indicated in Figure 85 below. The proposed uses for the three sites are in accordance with the Spatial Development Framework as approved by the eThekweni Municipality.

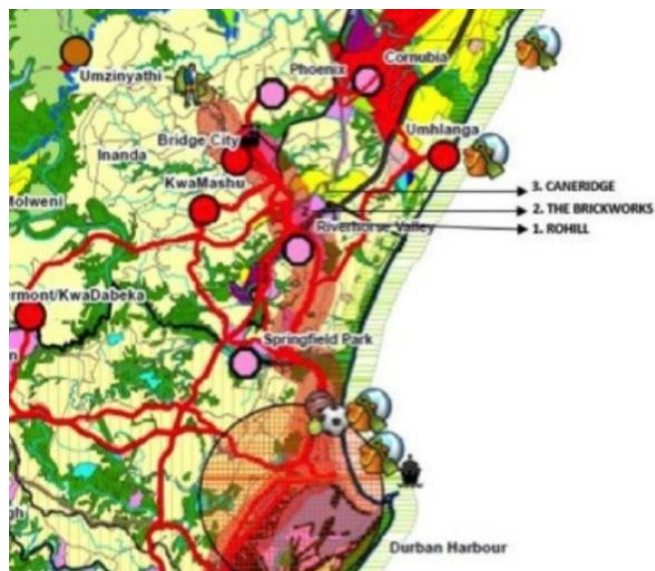


Fig 85 The strategic location of the proposed "Priority Area"

Phase one priority projects

Priority	Project Description	Municipal	Provincial	National	SANRAL	Private Sector
1	Brickworks					X
2	Rohill					X
3	Caneridge	X				

Table 55 Roles and Responsibility

7.1.16.3 RESOURCING

The two projects (Brickworks and Rohill) under the Avoca Nodal Development programme are a private sector led initiatives and it is the private sector that is investing the bulk of capital funding, approximately R10 billion Rands into this development with the municipality providing an additional cost of R217 million through infrastructural upgrades and rates rebate, and the other spheres of government, specifically Sanral and KZN DoT expected to contribute in terms of road upgrades.

eThekweni Municipality will specifically contribute to the proposed upgrade of the Old North Coast Road and the development of a new substation that will be necessary to realise this development. A cost sharing model has been proposed for each phase of the development which will clearly stipulate how much each of the affected parties should contribute for this investment to happen.

7.1.16.4 IMPLEMENTATION

The project is done in lead by the Catalytic Projects Unit from the side of the municipality in collaboration with SANRAL, KZN Department of Transport, eThekweni Transport Authority, Electricity Department and other affected departments.

The municipality is yet to finalise the Radical Transformation target goals as per the Rate Incentive agreement signed between the municipality and the developers. The Local communities, businesses and other community structures will be engaged in the process. This will create a conducive environment for the smooth implementation of the project and eliminate the work stoppages experienced in most of the projects implemented by the private sector.

7.1.16.5 REPORTING AND EVALUATION

The project like all other catalytic projects will be monitored and evaluated against the proposed jobs at construction, completion and subcontracting value in terms of achieving the Radical Economic Transformation goals. The proposed

rates contribution that have been mentioned at the inception of the projects will also be scrutinised against the actual at the completion of the project.



Catalytic Project Matrix – Avoca	Response	
Location	Noted Located in the PIC	SDF Investment Area
Responsiveness to the IPTN	Located in the IPTN Network	
Proposed Land Use	Industrial and Commercial	
Impact on Rates	Positive Rates Generation	
Employment Generator	Positive Employment Generation	
Precinct Management	No Dedicated Precinct Management – Still in Construction – Possible Management Association	

8 CATALYTIC LAND DEVELOPMENT PROGRAMME – RESOURCING (STRATEGY LEVEL ISSUES)

8.1 LONG-TERM FINANCING STRATEGY

eThekweni has a Borrowing Strategy, and a Municipal Services Finance Model. Recent work with the National Treasury has started a work-stream to link development challenges to financing options with a view to developing a Long-term Funding Strategy. The work-stream has the participation of the Municipal Finance department, the DBSA and their consulting team, and National Treasury. Through discussion it has emerged that the consulting team only has the skills to complete the financial assessment component of the work and this means that the component dealing with the socio-economic assessment, is a critical gap that needs to be filled. The spatial aspect is also not integrated in the proposal. Further discussion will be needed to find a way forward on these short comings. It is further noted that with the impact of the COVID 19 Pandemic there is increased pressure on funding for catalytic projects from all sectors. The impact of the pandemic can only be properly quantified at the end of Quarter 4 reporting.

8.2 STRATEGY-LED BUDGET PROCESS

The Office of the Chief Strategy Officer has designed and started implementation of an IDP/SDF/BEPP/Budget/Performance & Programme Management road map and annual calendar which is intended to institutionalise these as ongoing processes throughout the year and to move away from the long-held practice of them being annual events. A calendar of engagements was set up between September and December 2019 to meet with the officials within the administration as well as with the political leadership. These engagements covered the following issues:

- The Budget circular setting out the budget process;
- Debriefing with political leadership (2017/18 and 2018/19 year) covering Expenditure, SDBIP delivery, the IDP/SDF/BEPP, Annual Report, Annual Financial Statement & Life Cycle Cost Assessments (LCCA) for 2019/20. The focus was on current challenges and shortcomings and to set the scene for critical choices for the 2020/21 MTREF;
- City Strategy & Priorities including spatial prioritisation and Zonal Plans covering local ward delivery;
- Block sums unpacking;
- Infrastructure Condition Risk;
- LCCA improvements; and
- Budget adjustment and re-allocation rules.

The focus in the last 6 months has been on improving programme management but a new spatial filter has also been introduced. All the projects in the MTREF have been through quality assurance assessments to determine if they are justified and if they are properly packaged for implementation.

8.2.1 FEASIBILITY STUDY PROCESS

The feasibility study process that eThekweni Municipality utilizes to make capital decisions moves through four stages. First the generation of the project information, this stage is vital for the success of the project. Within the generation of project information stage individuals gather information that is analysed and evaluated at a later time for the capital expenditure proposal. Typically, information of significant value includes; available alternatives, available resources, cost data, benefit data, prior performance, risk projection. Available alternatives are a very wise place to

invest time in gathering information, having a backup plan that will still accomplish the desired goal or leave the eThekweni Municipality in a favourable position and may save the municipality when the initial plan fails. The availability of resources plays a major role in the approval of projects. Without information as to where the funding and resources will be coming from to finance a project it will never even be brought up for capital expenditure proposal. The idea of resource availability goes in tandem with cost data since without a timeline of what it is going to cost to complete the project, eThekweni Municipality will be unable to determine the amount of resources necessary to see the project through to completion. Benefit data can be very influential in getting a capital expenditure proposal approved. Benefit data will include information as to the return on investment that the project will generate financially but it should also include information on the benefits that the municipality will see in functionality (e.g. social benefits, political benefits, technological benefits, environmental benefits and legal benefits) throughout its system as a result of completing the project. Information in regards to the prior performance of projects and the individuals that managed them can provide some insight into the likelihood of success with the current endeavour. Lastly, in the generation of project information stage is information concerned with project risk. In this portion of information generation, it is important to ask the “what if” questions.

The quantitative risk analysis estimates real-world values for both the probability and impact. It aims to produce a reliable risk analysis however, this is not always possible due to: lack of data, the influence of human factors (i.e. uncertainty), or because the effort of assessment is too high. This is when a qualitative or semi-quantitative analysis might be more appropriate. Care has to be taken to avoid focusing quantification on the wrong risks. There is a danger of tunnel vision (diverting attention to the wrong risks and missing critical new risks). If tunnel vision occurs, risk management essentially narrows the information available instead of widening it. Managers will likely give up with formal risk analyses and instead just live and deal with the risks as they arise since their judgement and experiences seem to be a more effective use of their time. Risk analysis will always include an element of judgment that is not definable and that any verification is itself a judgment and is made on the basis of random, debatable and subjective evidence. Therefore, most calculations of risk will contain some degree of uncertainty, especially since a lack of quantified data is the norm rather than the exception in the industry. This evidence indicates that there could be many uncertainties not accounted for in the industry.

8.2.2 QUALITY ASSURANCE PROCESS

Due to the assumptions formulated during the development of the feasibility study and the uncertainties in the risk analysis, quality assurance on the feasibility study is performed by the Strategy Office. The quality assurance process involves the assessment of the following criteria:

Quality Criterion 1: Feasibility Study
Capital Project is included in the Asset Management Plan
Problem statement is clearly defined
Failure Mode is clearly identified
Multiple solution options have been analysed
Quality Criterion 2: Life Cycle Cost Analysis
LCCA performed for the Do Nothing Option
LCCA performed for Option 1
LCCA performed for Option 2
Multiple Scenerios Investigated

Quality Criterion 3: Business Risk Exposure
Quantified population affected
Defined mean to restore service

Quality Criterion 4: Environmental Impact
Environmental impact is clearly defined

Quality Criterion 5: Spatial Efficiency
Servicing the SDF aligned corridors
Constructed in the SDF aligned corridors
Not Applicable to the SDF aligned corridors

Quality Criterion 6: Project Readiness
Design & Tender documents Completed
Revised Business Case Approved
25% Construction is complete
50% Construction is complete
75% Construction is complete

Figure 86 Quality Assurance Process

Based on the above assessment as indicated in Figure 86, a quality assurance score issued for each feasibility study report.

8.2.3 CORPORATE INVESTMENT COMMITTEE PROCESS

The Corporate Investment Committee (CIC) is chaired by the City Manager and the members of the committee are the Deputy City Managers, Chief Digital Officer, Corporate Audit Executive, Head of Legal and the Chief Strategy Officer. The objective of the CIC is to discuss capital projects and apportion eThekweni Municipality's capital budget. A key input to the CIC, is the comprehensive list of the quality assurance scores.

Recommendations to overcome improper project/ programme planning e.g. over-budgeting, excessive scoping and poor market timing:

- It is recommended that initial concepts (projects and programmes) should first pass through a Unit Capital Investment Committee. The Unit Capital Investment Committee should comprise of the Unit Head and Deputy Heads. The minutes of meeting should be documented and recorded. At this stage no Planning Budget (operating) is spent as internal resources are used;
- Financial Feasibility budget (R200K) [extracted from the "Strategically-Managed Planning Budget"] should then be set aside per Unit-approved project concept. During the financial feasibility study, we should be able to assess timing, scoping and high-level budgeting. It is estimated that approximately 50 projects (R10 million) per annum will fall into this category. Worst case scenario 30 projects will pass through this gate which means that $R200K \times 20 = R4 \text{ million}$ will be regarded as an operating loss. A project passes this stage with an approved Quality Assurance Certificate; and

- Technical Feasibility Budget (R500K) [extracted from the “Strategically-Managed Planning Budget”] should be set aside per approved Financial Feasibility Study. The Technical Feasibility Budget should be used to firm up on the budget and develop the specifications for the tendering process. It is estimated that approximately 30 projects (R15 million) per annum will fall into this category. Worst case scenario 20 projects will pass through this gate which means that $R500K \times 10 = R5$ million will be regarded as an operating loss. A project passes this stage with an approved Quality Assurance Certificate.

Recommendation to overcome unfavourable infrastructure delivery negotiations:

- At capital project concept stage (prior to the capital budget request), a documented negotiation strategy must be formulated for the best financial benefit to eThekweni Municipality. This strategy should be approved by the Cluster Capital Investment Committee prior to engaging with potential infrastructure delivery agents. The Cluster Capital Investment Committee should comprise of the Deputy City Manager and the Heads of the Units in the cluster.

A spatial filter has been introduced into this capital budget process to ensure that there is an evaluation of where projects are located geographically and to give higher scores to projects that are located within and support transit corridors. This is a big step forward from a spatial planning perspective since for line departments the pathway to the budget will, for the first time in eThekweni, include a spatial evaluation. The intention is that the projects and budgets of municipal departments become aligned in geographic space and begin to be packaged in the form of programmes that are temporally aligned and that deliver integrated human settlements and public spaces as well as infrastructure & precinct management that support economic growth. This is more evident at the level of the CLDP but this logic must be applied upfront to the development of the Capital Budget project list rather than being a post facto assessment of an already existing project list.

Some of the strategic messages that emerged as a result of the strategy led budget initiative are as follows:

- Programme & Project Management Capacity & Skills;
- Single Infrastructure Plan & Pipelines of Projects;
- Systems, Processes and Supporting Technology must be invested in, in order to boost the strategic capability of the administration;
- Collaboration Structures and Capital Investment Committees need to be established/strengthened;
- Construction Interference is posing a major challenge for delivery and expenditure;
- We have tools and Institutional Structures BUT need to build time in the budget process for both Administrative and Political Engagement;
- From a strategic perspective we need to decide what we can achieve in the 19/20 MTREF cycle and what we want to target for future MTREF's;
- The consultation process requires more extensive political engagement as past practices do not accord with best practice in respect of consultation;
- Strategic capability funding, specifically for ERP consolidation and rollout, should be prioritized; and
- A pot of funding is required for feasibility studies to assist in the development of a more robust project pipeline.

8.3 INSTITUTIONAL ARRANGEMENTS & INTER-GOVERNMENTAL RELATIONS (IGR)

8.3.1 INSTITUTIONAL ARRANGEMENTS FOR CATALYTIC DEVELOPMENT PROGRAMMES

An issue has been identified around how to best drive the development within the integration zone, but particularly the mechanisms for driving and facilitating the various Catalytic Programmes and Projects within the City. The intention is for a Catalytic Projects Unit to be established within the Economic Development and Planning Cluster within the city to facilitate these programmes/projects. Within this Unit, four Senior Programme Managers will be appointed, who will manage a team of Project Managers to help facilitate a number of programmes/projects within a certain region of the City (North, South, Outer West and Inner City). The Programme and Project Managers will also have access to a number of support personnel with specific professional skill sets and mandated sign-off authority to enable fast tracking of project application approvals within the Unit itself. The best suited form of the team chosen for each project will be based on its scope and specific input requirements in terms of issues to be addressed. Figure 86 indicates the latest organogram for this new Unit which was recently approved by Council.

Interim arrangements have been made to focus staff resources on the Catalytic Projects. A Catalytic Projects Office has been established in the office of the Deputy City Manager for the Economic Development and Planning Cluster. Project Facilitators have been seconded to this office on an interim basis from various Units, as a precursor to the establishment of the Catalytic Projects Unit.

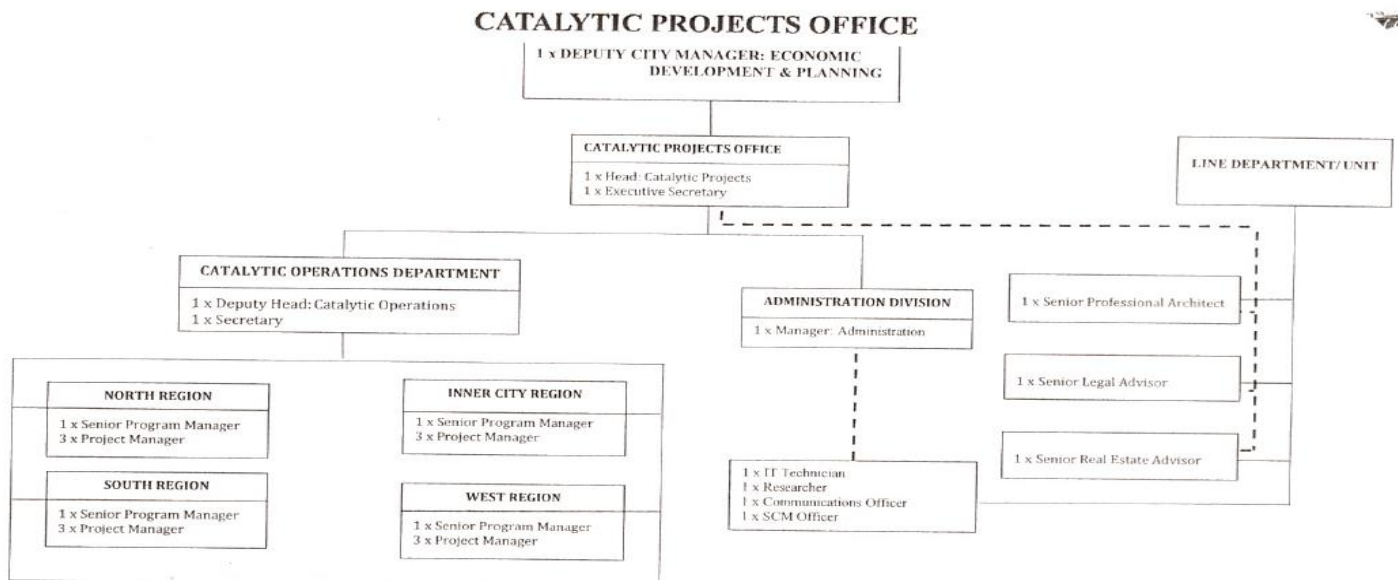


Figure 86 Organogram Catalytic Project Office

PART F

9 URBAN MANAGEMENT

9.1 PREPARATION/RESOURCING/IMPLEMENTATION

9.1.1 PRECINCT MANAGEMENT ENTITIES

The City's Urban Management strategy is premised around a three-segment strategy as shown below in Figure 87.

For the top segment, approximately 500 km of priority routes are dealt with by all-inclusive contracts. Priority spaces are dealt with and intended to be dealt with by a combination of Special Rating Areas (SRA's), which are called Urban Improvement Precinct (UIP) in eThekweni and Management and Lot Owner Associations. There is however a realisation that there is insufficient rates base in many areas where SRA's are desired and that hybrid models with public sector co-funded may be required. In this regard Sections 85 and 86 of the Municipal Systems Act is being considered as an alternative mechanism.



Fig 87 Urban Management Strategy

There has been a growing collaboration of the Municipality and the SA Property Owners Association (SAPOA) to promote the further development of SRA's in commercial and mixed-use areas. As a result of this engagement SAPOA has established both a Precinct Management Forum to improve the effectiveness of the sector, as well as having established the Strategic Urban Management Non-Profit Company. The Municipality will contract this company through Sect. 67 of the MFMA to provide a non-commercial service in the form of developing promoting and supporting the establishment and effective operation of commercial precinct management initiatives throughout eThekweni.

SUBURB	MARKET VALUE 2009	MARKET VALUE 2013	VALUE CHANGE 2009 TO 2013	2013 % OF TOTAL	CHANGE % FROM 2009 TO 2013
UMHLANGA RIDGE	4 609 850 000	8 036 692 000	3 426 842 000	10.5	74
CBD	6 928 473 000	7 834 807 000	906 334 000	10.3	13
PINETOWN	2 256 346 000	2 685 508 000	429 162 000	3.5	19
AMANZIMTOTI	515 456 000	600 415 000	84 959 000	0.8	16
VERULAM	231 640 000	359 626 000	127 986 000	0.5	55
ISIPINGO RAIL	315 245 000	304 185 000	-11 060 000	0.4	-4
UMBOGINTWINI	32 300 000	204 550 000	172 250 000	0.3	533
TONGAAT CENTRAL	178 810 000	147 400 000	-31 410 000	0.2	-18
ISIPINGO HILLS	147 570 000	136 390 000	-11 180 000	0.2	-8
UMKOMAAS	79 540 000	112 259 000	32 719 000	0.1	41
ISIPINGO BEACH	87 325 000	64 660 000	-22 665 000	0.1	-26

Table 54 Roles and Responsibility

The following six commercial and mixed use SRA's are in operation:

- South Beach UIP, North East Business UIP and the CBD UIP. These three Inner City SRA's are jointly managed by the Urban Improvements Precincts Company; and
- The Umhlanga Village UIP, the Umhlanga Promenade UIP and the Florida Road UIP are all managed by the Urban MGT company.

In general, mixed use SRA's are not favoured as it proves too difficult to secure the founding vote between large numbers usually sectional title residential properties and a smaller number of commercial properties.

Commercial SRA's initiatives are underway in Glenwood, Musgrave, Stamford Hill, Umbilo (industrial), Pinetown CBD and the Northern Beachfront Management Associations are in place typically in private sector commercial property development areas, typically done by Tongaat Hulett, including Riverhorse Valley Business Estate, Bridge City, Sibaya, Cornubia and the uMhlanga Ridge. The Point Waterfront also has a Management Company. What is common in this model is that the developer has structured in a levy with the property purchase that funds the precinct management company services.

Lot Owners Associations exist in Phoenix and a few other older Municipally developed Industrial Parks.

The Municipality / SAPOA collaboration is also focused on the development of Municipal policy to enable wider replication of precinct management initiatives throughout priority economic nodes, engaging in national processes to improve the enabling legislation and to improve the effectiveness and efficiency of the existing Precinct management entities,

The case for change is clearly articulated in the table below where it is apparent that historic high value areas are experiencing a declining or flat trend which poses a risk to municipal income. Areas with some form of urban management, like Umhlanga, demonstrate much higher property growth levels.

Areas with historical high value properties such as the CBD's and secondary CBD's are clearly in decline or having very flat growth. The table above illustrates this reality. As such there is a very real income risk to the municipality given that property values are a proxy for rates income.

Township and other emerging nodes have also been identified as areas requiring a precinct management approach, however recognizing that the SRA mechanism will not apply. There are nevertheless a number of pilot projects at the initiation stage. The City has an Area Based Management Institutional structure which cover sub-regional areas larger than a precinct. Nevertheless, the ABMs provide a vehicle through which the Municipality does deploy a cross cutting management function. This consists of three main service levels:

- Identifying and facilitating response to infrastructure maintenance issues;
- A socio-economic development interface between the Municipality and communities; and
- Monitoring and reporting on faults and service delivery matter and assisting with accountability Council Line Departments, including monthly exception reporting up to the level of political committees.

A service delivery charter is under preparation to articulate the service levels applicable to all services and to ensure a commitment from the relevant Departments. This Charter will form part of a Customer Relations Strategy and is intended to be supported by a compatible and integrated CRM module of the current ERP system.

Emerging and declining economic areas determines as priorities in accordance with the Urban Network strategy are as shown below in Table 55:

Emerging Township Nodes	Declining CBD Nodes
KwaMashu	Durban
Umlazi	Pinetown
Inanda	Amanzimtoti

Ntuzuma	Verulam
Clermont	Tongaat
Lamontville	Isipingo
	Umkomaas

Table 55 Emerging and Declining Nodes

A National Treasury funded project has been agreed to map all economic nodes throughout eThekweni onto the GIS. This will establish spatial and property data to determine focus areas, for example which are the emerging commercial nodes in large townships like uMlazi. This will also integrate data related to the sections of the BEPP dealing with Integration zones and economic nodes to establish a prioritisation for where the Municipality / Private sector partnership should focus its collective energy and resources.

The UNS recognises that the above 2 categories of nodes will require support in the form of subsidisation to bridge the gap between the base services provided by the City & the top up services that are affordable to the property owners within the SRA, as reflected in an approved business plan, and the levels of service required to make a positive difference on the ground. This is the essential difference between emerging and declining nodes as compared to established nodes.

These realities are shown in the 2 Figures 85 below:

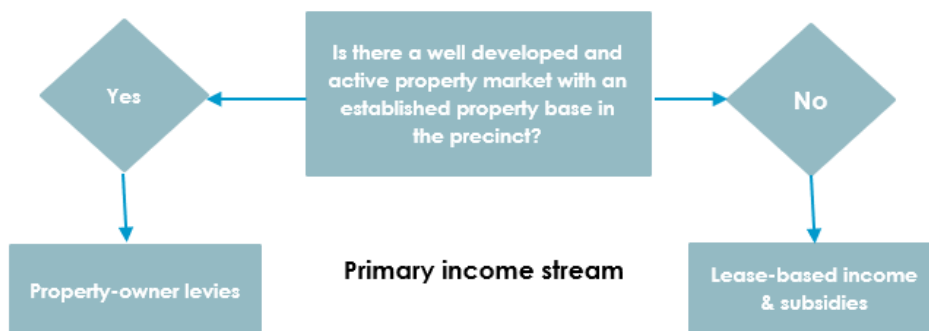
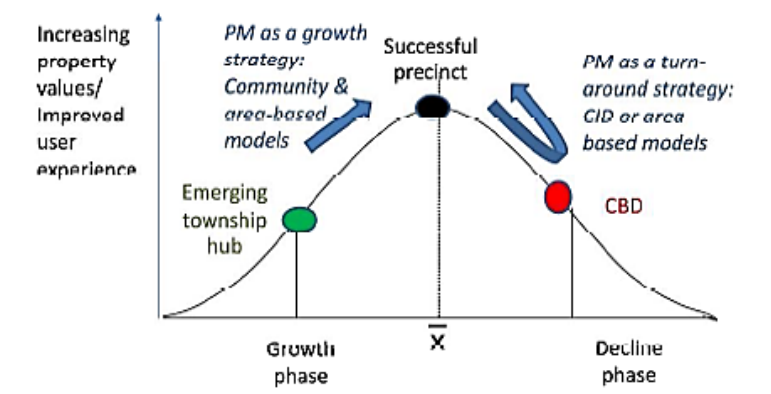


Fig 85 Emerging Nodes and Declining Nodes

A National Treasury funded project has been established to develop a pilot initiative in each of these two categories. The first focusses on the KwaMashu Town Centre and its linking corridor to Bridge City. The second will focus on the South Beach mixed use area of the Inner City.

A process is also being initiated to develop greater precinct management coverage in the Inner City which has only partial SRA/UIP coverage as shown in the diagram below. The intention is to maximise the area of coverage, establishing contiguous managed precincts and with the ultimate goal of wall to wall management initiatives.



Over and above the precincts and special rating areas that have been detailed above each of the catalytic projects also have a precinct management approach to the developments, the type of precinct management approach for each of the catalytic projects are listed in the Catalytic project Matrix in Section C,D,E for each of the developments.

9.2 RESIDENTIAL SPECIAL RATING AREAS (SRAS)

SRAs have been established in a number of middle- and upper-income suburbs, where high crime levels have been the main driver. These include:

- Maytime Community Association;
- The Burlington UIP;
- Florida Road UIP; and
- Giba Gorge Environmental Precinct.

Another six residential initiatives are underway in the Westville area.

The Municipality retains a passive approach in accepting residential SRA applications, but at this stage there is no emphasis in the promotion of the system in residential areas.

PART G

10 REPORTING & EVALUATION

10.1 ADOPTION & MEASUREMENT OF SHORT- AND MEDIUM-TERM OUTCOME INDICATORS

After a period spanning two financial years, and involving the CSP and the Municipality, a set of 54 indicators has been developed to measure the achievement of the BEPP. They are grouped into four categories:

- Well-governed city;
- Inclusive city;
- Productive city; and
- Environmentally sustainable city.

The process to identify internal process drivers for each indicator, and to identify information systems which will provide the information needed and then to determine the baselines and targets for the range of KPIs began in 2016 and is continuing. The process has in many instances been slow as is often the case with newly introduced performance information that needs to be gleaned from the municipal system and where owners need to be identified to take responsibility for reporting on the new KPIs. This process has been further slowed due to changes to the spatial extent of the Integration Zone which has meant that the calculations have needed to be re-done to determine baselines. The setting of targets is often related to the budget allocation and hence these decisions need to be made by the Heads of Departments (as opposed to KPI owners at senior management level) since it requires strategic oversight on relative budget allocations to various programmes. There are also confirmations required from a number of organisations external to the municipality who are required to provide some of the data elements required for the calculation of the outcome indicators. The end result of all these factors is that many of the baselines and targets are yet to be completed. These BEPP indicators are being included as part of the outcomes report for 2019/20 and where baselines and targets are still being finalised, the outcome report will reflect as such.

10.1.1 BEPP INDICATOR BASELINES AND TARGETS:

eThekwini is in the process of incorporating the BEPP outcome indicators into its SDBIP. Due to the fact that for the bulk of these new indicators and according to recent discussion at the Built Environment Task Team, these indicators are listed as Tier 3 Indicators, there are currently no systems in place to gather and process the requisite information, it is not possible to establish baselines let alone to set targets. This is being addressed via pilot assessments of existing databases and linking databases and it is hoped that during the course of 2020/21 that we will be in a position to deal with the current shortcomings. As a metro we need to take a stance and drive development and investment decisions in accordance with the transformational outcomes we wish to achieve.

IDP Objective (strategic objective)/ SFA	Ref No.	IDP Performance Indicator (Outcomes)	Unit of measure	Baseline	Target for 2020/21 (MTREF)	Target for 2021/22 (End of Term)
Strategic and Sustainable Budgeting	WG13	WG13. Percentage change in the value of properties in Integration Zones	Percentage	New KPI - baseline being determined	Target cannot be provided as this is out of the Municipality's control	Target cannot be provided as this is out of the Municipality's control
Develop, manage and regulate the Built and Natural Environment	CC2	CC2. Number of land use applications processed in integration zones as a percentage of the total number of land use applications submitted city-wide	Percentage	46.8%	Target cannot be provided as this is out of the Municipality's control	Target cannot be provided as this is out of the Municipality's control
Develop, manage and regulate the Built and Natural Environment	CC3	CC3. Number of building plan applications processed in integration zones as a percentage of the total number of building plan applications city-wide.	Percentage	New KPI - baseline being determined	Target cannot be provided as this is out of the Municipality's control	Target cannot be provided as this is out of the Municipality's control
Strategic and Sustainable Budgeting	PC4	PC4. Commercial and industrial rateable value within integration zone for a single metro as a % of overall commercial and industrial rateable value for that same metro.	Percentage of rateable value	16.26%	Target cannot be provided as this is out of the Municipality's control	Target cannot be provided as this is out of the Municipality's control
Develop, manage and regulate the Built and Natural Environment	CC1	CC1. Hectares approved for future development outside the 2015 urban edge as a percentage of Hectares allocated for future development as defined by the 2015 MSDF	Percentage	8.1%	Target cannot be provided as this is out of the Municipality's control	Target cannot be provided as this is out of the Municipality's control

IDP Objective (strategic objective)/ SFA	Ref No.	IDP Performance Indicator (Outcomes)	Unit of measure	Baseline	Target for 2020/21 (MTREF)	Target for 2021/22 (End of Term)
Meet infrastructure and household service needs and backlogs	IC1	IC1. New subsidised units developed in Brownfields developments as a percentage of all new subsidised units city-wide	Percentage	86.58%	Target cannot be provided as this is out of the Municipality's control	Target cannot be provided as this is out of the Municipality's control
Develop, manage and regulate the Built and Natural Environment	IC2	IC2. Gross residential unit density per hectare within integration zones	Ha	New KPI - baseline being determined	Target cannot be provided as this is out of the Municipality's control	Target cannot be provided as this is out of the Municipality's control
Meet infrastructure and household service needs and backlogs	IC3	IC3. Ratio of housing types in integration zones	Ratio	New KPI - baseline being determined	Target cannot be provided as this is not completely within the Municipality's control	Target cannot be provided as this is not completely within the Municipality's control
Meet infrastructure and household service needs and backlogs	IC4	IC4. Ratio of housing tenure status in integration zones	Ratio of tenure status	New KPI - baseline being determined	Target cannot be provided as this is not completely within the Municipality's control	Target cannot be provided as this is not completely within the Municipality's control
Develop, manage and regulate the Built and Natural Environment	IC5	IC5. Ratio of land use types (residential, commercial, retail, industrial) in integration zones	Ratio	New KPI - baseline being determined	Target cannot be provided as this is out of the Municipality's control	Target cannot be provided as this is out of the Municipality's control
Meet infrastructure and household service needs and backlogs	IC6	IC6. % households accessing subsidy units in integration zones that come from informal settlements	Percentage	6.8%	Target cannot be provided as this is out of the Municipality's control	Target cannot be provided as this is out of the Municipality's control

IDP Objective (strategic objective)/ SFA	Ref No.	IDP Performance Indicator (Outcomes)	Unit of measure	Baseline	Target for 2020/21 (MTREF)	Target for 2021/22 (End of Term)
Meet infrastructure and household service needs and backlogs	IC7	IC7. Number of all dwelling units within Integration Zones that are within 800 metres of access points to the integrated public transport system as a percentage of all dwelling units within Integration Zones	Percentage	New KPI - baseline being determined	Target cannot be provided as this is out of the Municipality's control	Target cannot be provided as this is out of the Municipality's control
Meet infrastructure and household service needs and backlogs	IC8	IC8. Percentage share of household income spent on transport costs for different household income quintiles city-wide	Percentage	National indicator - no baseline currently available	National indicator - no target currently available	National indicator - no target currently available
Meet infrastructure and household service needs and backlogs	IC9	IC9. Capital expenditure on integrated public transport networks as a percentage of the municipal capital expenditure	Percentage	National indicator - no baseline currently available	National indicator - no target currently available	National indicator - no target currently available
Meet infrastructure and household service needs and backlogs	IC11a	IC11a. % learners travelling for longer than 30 minutes to an education institution	Percentage	13.9%	National indicator - no target currently available	National indicator - no target currently available
Meet infrastructure and household service needs and backlogs	IC11b	IC11b. % of workers travelling for longer than 30 minutes to their place of work	Percentage	32.4%	National indicator - no target currently available	National indicator - no target currently available

10.1.2 SECTOR DEVELOPMENT OUTCOMES AND OUTPUTS AS PER SECTOR PLANS 2020/21 AND DRAFT SDBIP 2020/21

Each of the Eight IDP Plans has performance Indicators and budget. Sector Plans are unpacked into the Eight Plans. Plan 3 – Quality Living Environment, receives about 85% of the capital budget, and its KPIs and targets are shown below.

Item	Measure	Unit
1. Integrated housing & interim services to informal settlements		
• The number of subsidized HOUSES constructed/ built.	4072	No.
• The number of new fully subsidized housing units allocated.	4072	No
• Hectares of land acquired for subsidized Housing	300	Ha
• The number of households benefitting from serviced sites handed over for subsidised housing units	2058	No
2. Rental and Gap housing strategy		
• CRU's - upgrading, refurbishment, and construction of new family units (at existing hostels).	52	No.
• Sale of rental and BNG housing	3702	No.
• Upgrade and refurbishment of pre-1994 housing units	92	No.
3. Title deeds strategy		
• Number of Title Deeds submitted to the Deeds Registrar for registration for subsidized housing	2000	No
• Number of Title Deeds issued to owners for subsidized housing	1500	No
3. Address Infrastructure backlogs		
• Built Environment Performance Plan	100	%
• The % of non-revenue water loss.	44	%
• The percentage of households with access to AT LEAST a basic level of Water	82.77	%
• The percentage of households with access to AT LEAST a basic level of Sanitation	73.3	%
• The percentage of estimated indigent households provided with free basic services: Sanitation	57.99	%
• The percentage of estimated indigent households with access to a free basic service: Water	76.03	%
• The number of connections energised and captured on Ellipse, for provision of electricity to residential dwellings	8 000	No
• The percentage of households with access to a basic level of electricity	72.78	%
• The percentage of estimated indigent households collecting free basic services: Electricity	20	%
• Electricity losses (technical and non-technical) as a % of electricity purchases.	8.50	%
• The percentage of households with access to a basic level of Refuse Removal Service once a week	95	%

<ul style="list-style-type: none"> The percentage of indigent households with access to a refuse removal service once a week 	95	%
<ul style="list-style-type: none"> The % of municipal landfills in compliance with the Environmental Conservation Act. 	95	%
<ul style="list-style-type: none"> The number of properties below the eThekweni defined level of service provided with STORMWATER solutions. 	590	No
<ul style="list-style-type: none"> The number of km of SIDEWALK constructed. 	35	No
<ul style="list-style-type: none"> The km of unsurfaced ROAD converted to surfaced. 	40	No
<ul style="list-style-type: none"> The number of PUBLIC TRANSPORT RANKS constructed. 	1	No
4. Infrastructure asset management		
<ul style="list-style-type: none"> Draft the 2020/21 Strategic Infrastructure Asset Management Plan to inform the subsequent MTREF 	100	%
<ul style="list-style-type: none"> Integrated Infrastructure Asset Management Plan Level 2 - All Sectors 	100	%
5. Implement an effective public transport plan for the Municipality		
<ul style="list-style-type: none"> Passengers using accessible scheduled public transport services 	75 000	No.
<ul style="list-style-type: none"> Passengers using scheduled public transport services 	28 600 000	No.
<ul style="list-style-type: none"> Implement an effective public transport plan for the Municipality 	45.5	%
<ul style="list-style-type: none"> Improve Road Safety by Conducting Road Safety Awareness at schools and implementation of speed humps Traffic calming residential streets Road Safety Awareness Campaign 	70 30 40	No

PART H

11 BEPP SUPPORT

11.1 CITY SUPPORT IMPLEMENTATION PLAN (CSIP)

11.1.1 STRATEGIC SUPPORT

eThekweni has been assisted by the City Support Programme under National Treasury for the last 5 years across five themes which are contained in the column headings of the table below.

City Governance	Human Settlement	Economic Development	Climate Resilience	Public Transport
Transversal Management Practices	City wide upgrading plan – Toolkit	Support to SNDB performance	CR&S for city leaders	Pilots: City Bus Integration
BEPP process management support	BEPP integration of Housing Strategy Model	Investigate and propose other forms of spatial industrial policy	CR project pipeline	Strategic Sessions Public Transport Financing
Catalytic Programmes	Facilitating use of public employment in informal settlements	Support to develop and implement coherent TED workplans	Streamlined environmental management	
Open Data	Promote consumer education	Zoning, planning and regulatory practices in townships	BEPP support (tools)	
Innovations in City Data	Backyard / small scale rental project	Generate data on 'where people live'	Data and indicators for CR (Circular 88)	
CIDMS Metro Roll out	Massive small-scale project innovation support - inclusionary housing & TOD development projects along precincts	Support to SNDB performance	CR&S for city leaders	

In 2018 a Strategic City Review was undertaken by the CSP team. This was a rapid assessment of the strategic position of the eThekweni Metropolitan Municipality, to identify areas which can benefit from support offered under the CSIP. This review helped to frame the content of the CSIP. A number of the areas of support identified are being carried over from previous years but there are numerous additions to the basket and these will need to be requested from national treasury. The CSP 2 applications are listed below:

1. Transversal Management

- a) Change Performance Management system
- b) Dissemination of learnings via MILE
- c) Safety
- d) ISU
- e) IPTN Corridors
- f) Sub National Doing Business
- g) Climate Change
- h) Planning Strategy
- i) Project Management
- j) Integrated Asset Management
- k) Poverty
- l) Job creation
- m) Disaster Management
- n) Social Issues
- o) Customer Relations Management
- p) Best practices- Governance structure to institutionalize Partnership across 3 spheres for successful management of CLDP and achieve city led spatial development

2. Investment Promotion

- a) Annual review and business case for institutional roll out

3. CIDMS

- a) Implementation strategy

4. Economic Development

- a) Mapping of economic nodes on GIS
- b) Elasticity of demand models + Tariff models
- c) Affordability modelling
- d) Contractor development

5. Transport

- a) Corridor Toolkit
- b) IPTN Sustainability Modelling

6. INTACT follow up

7. Catalytic Projects

- a) **Regulatory reform** (especially to address social issues during development), research support and facilitating knowledge exchange between cities on best practices
- b) CLDP **Programs and Project pipelining** and prioritization framework
- c) Development of **heat rate mapping** (Rates Revenue, Density planning along corridors and spines with focus on income mix, Social index, Land ownership, Infrastructure capacity supply and demand, etc)
- d) **Development contribution** policy
- e) Game changers for **local economic and township development**

12 COVID 19 MUNICIPAL RESPONSE

The COVID 19 virus has been declared a global pandemic by the World Health Organization. South Africa has not been spared, and we now have local transmission. As eThekweni Municipality, we all have a responsibility to slow down the spread of disease by implementing and adhering to the strict workplace and implementation measures. This chapter outlines some of the actions that the Municipality is implementing to address the pandemic. At the outset, we do have to note that there is much still to be learnt from our current experience of managing the pandemic. The lockdowns which have been imposed globally and locally, have slowed down the progression curve of the virus, but at the same time created catastrophic economic impacts globally and reversed many developmental gains. The scale of impact has not been experienced since the great depression before the second World War. Recovery from this crisis both globally and locally will not be quick and there is broad consensus that the economy may only return to pre-lockdown levels in 2022, while some have pointed out that the recovery will take much longer.

We further note that in the absence of a vaccine and self-immunity municipalities would need to plan for the foreseeable future with COVID 19 as an influencing factor on municipal operations. Listed below are some of the processes that the Municipality has embarked on to manage the pandemic

12.1 CURRENT INITIATIVES

12.1.1 HUMAN SETTLEMENTS

eThekweni Municipality has a significant population living in densely populated informal settlements. With the call for social distancing and improved washing and coughing hygiene, many of the residents in the informal settlements are vulnerable to acquiring the virus. To meet the national service standards the Municipality would need to ensure the provision of adequate water supply and proper sanitation measures.

In the short term, the City has embarked on an awareness-building campaign in informal settlements to raise awareness around the disease, coupled with the awareness campaign the City has also delivered soaps and sanitizers to vulnerable residents in the informal settlements, CRU's, rental Housing and transit facilities. In the initially planned rollout of the activities, the Municipality aimed to provide in excess of 190 000 soaps and over 3100 liters of sanitizers. The City has also ramped up its provision of water provision by installing in excess of 34 water dispensers, 223 static water tanks and provided more than 130 Chemical toilets.

A key intervention area for the Municipality would be access to food to meet the demands in informal settlements. The current response to ensuring food security to vulnerable communities have primarily been targeted at the homeless population in the city center through the active engagement and involvement of the NGO community. A similar effort would be required to address the challenges regards food demand in informal settlements. The City together with various National Departments, has just begun a programme to deliver food parcels to vulnerable residents in each of the 110 wards in the Municipality. A longer-term and more sustainable solution would need to be found to address food security challenges in the informal settlements.

12.1.2 ETHEKWINI TRANSPORT AUTHORITY

The Transport authority intervened to facilitate the operations of the Minibus Taxi Operators in the City during the lockdown. The program included the education of drivers and passengers. Provision of sanitizers and disinfectant to taxi operators.

The transport authority also facilitated the high-pressure cleaning and sanitizing of public transport facilities to arrest the spread of the virus and improve the environmental health conditions.

12.1.3 ECONOMIC DEVELOPMENT

The South African economy which was already in recession at the end of 2019, went deeper into recession and will possibly go into depression by end of Q2 2020. This deep economic crisis as a result of investment downgrade, electricity constraints and spiraling debt crisis was compounded by the COVID19 lockdown which has created disastrous consequences for the South African economy. In eThekweni it is estimated that 327 000 people lost their income or employment as a result of the COVID19 lockdown with unemployment rising to 42%. In addition, over R10bn of FDI has been lost and another R9bn is at risk of being lost. This is accompanied by a sharp and deep contraction in eThekweni's GDP in Q2 of 2020. It will take about 24 months to return to pre-lockdown levels of economic activity, and this will have an immediate and profound impact on the Municipality's financial sustainability and its financial position into the future. It is estimated that during the current level 4 lockdown, that 34% of Durban's economy has returned to work. However, the reality is that many businesses will close and may never reopen.

In response to this deep economic crisis, Plan 2 of the IDP has been repurposed and refocused towards an Economic Recovery Plan, which was the first such plan in the local government sector. The plan which is being driven by the Mayor is focused on the following pillars:

- Monitoring the city income and health of the economy,
- Facilitating the City's share of national government support,
- Supporting tourism and industrialization ,
- Supporting the rural, township and informal economy,
- Creating an extra-ordinary environment for construction and Infrastructure and investment
- Operationalizing the Socio-Economic Fund
- Accelerating radical socio-economic transformation,
- Building social coalitions and partnerships

Funding within the Economic Development and Planning Cluster has been re-prioritized towards addressing this economic crisis and responding with speed to protect jobs and safeguard the vulnerable.

12.1.4 HOMELESSNESS

Addressing the challenge of homeless people is also a key component of the City's interventions. Working with NGOs, the City has been able to house homeless people in 11 shelters and temporary sites around eThekweni where they are provided with meals, access to water and sanitation facilities, blankets and other essentials. The faith-based community organizations have been invaluable in all these endeavors. During their stay in these sites, the Municipality and its social partners are ensuring that their lives are improved through drug withdrawal management programmes and others are being reunited with their families.

12.1.5 MAYORS RELIEF FUND

The Mayors Relief fund was established as per Council Resolution 26th March 2020. The fund is been extensively marketed in collaboration with businesses. The funds generated would be used to augment, economic recovery plans, social relief in the form of food security, assist in the homeless programme and other COVID 19 related expenditure. Contributions to the relief fund is also tax deductible as per the Tax Act. The Municipality is also considering further contributions from political leadership and voluntary contributions from staff.

12.1.6 MULTI-DISCIPLINARY TASK TEAM (MDTT)

The Municipality established a multi sectoral task team to advise senior management on matters that related to operational efficiencies. The MDTT meets on a weekly basis to discuss and recommend measures to address occupational health and human resource issues. The composition of the MDDT consists of line department senior management, line department employee representatives, union representatives, senior municipal executives and is chaired by representatives from Human Resource Cluster. The MDTT allows for constructive engagement with all parties on operational responses relating to pandemic. Some of the MDTT members are embarking on a process to look at the forward planning and implementation of a “New Normal” and how this pandemic could shape and restructure local government in the future.

12.2 FINANCIAL IMPLICATIONS

The above interventions require significant financial resources to ensure implementation. The pandemic has had significant financial impact on the City in the following manner:

- Revenue generated through payments for rates and services has reduced, due the inability to pay for services due to loss off income, consumers unable to access walk in centers to make physical payments; this trend is estimated to last for the next 3 months assuming the current lockdown level. Cash collection rates have decreased from an average of 90-95% to 70-80%.
- Expenditure towards COVID 19 related measures would need to be funded from existing budgets, this additional request for funds puts additional strain on limited capital budgets.
- Reduced revenue and increased expenditure coupled with instability of the South African and Global Economies would indicate an increase on interest rates by approximately 1,4% on existing borrowings. This would affect the municipalities ability to service the current borrowings.
- To supplement the loss in revenue the Municipality would need to investigate other forms of short-term funding Eg overdraft facilities.
- The Municipality projects an 87% collection rate over the next financial year based on the following reasons;
 - The economic reality of being graded as “Junk Status”
 - Drop in demand for water and sanitation
 - Job losses and the associated inability to pay for services
 - Economic slowdown and its impact on new developments.
 - Higher demand for social services which generates little or no revenue for the City

Effectively what this means for the City would be;

- Any expenditure in the municipalities would need to be closely monitored
- Post the lockdown there needs to be a drive to collect revenue due
- The 2020/21 capital and operational budget would need to be reviewed to ensure that the budget is refocused to cushion the impact of COVID 19 pandemic and lockdown without compromising service delivery. For an Operating Budget perspective the budgets for bad debts has increased significantly in comparison to the tabled MTREF. As cash collections begin to improve, the budgets for Bad Debts expenditure can be redirected to expenditure items that are significantly reduced, via the adjustments budget.
- Capital projects to be reviewed in terms of economic take up and growth projections. Due to the reduction in the cash collections, internal resources have been significantly depleted. In the current economic climate the City is unable to borrow due to challenges in securing favorable interest rates. As such the city has reduced its tabled capital budget for internally funded projects and projects funded by borrowings. As the economic improves these projects would be reprioritised. The reductions in the tabled budgets are as follows:
 - 2020/21
 - Internally funded projects limited to commitments
 - No Borrowings
 - 2021/2022
 - Internally funded projects limited to 20% of the tabled budget
 - Projects funded by borrowings limited to 50% of the tabled Budget (R1b)
 - 2022/2023

- Internally funded projects limited to 50% of the tabled Budget
- Projects funded by borrowings limited to R1billion
- Borrowings to be reviewed in line with the rationalized capital budget and affordability as indicated in the bullet above
- Need to ensure that the City maximize value for money expenditure and productivity
- Investigate alternate cost saving measures such as freezing of vacancies for the next 12 months, rationalize all consequential vacancies, postpone noncash generating events (sports, seminars etc.), reprioritize training of employees (i.e. upskilling to work from home, outreach programmes, bursary students etc.)
- Reduce the 2020/21 budget in accordance with the projections for reduced revenues from water and sanitation. It is further noted that National Treasury requires that the Budget be realistic and cash based accordingly the budget parameters have been reviewed to adjust for lower revenues.
- Engage with SALGA to revisit the salary increases and City to revisit performance bonuses
- Engage with National Treasury and Sector Departments to defer COVID 19 expenses against existing Grant funding
- Engage National Treasury on the possibility of 2 Mid-Term Adjustments in the financial year 2020/21 to make necessary amendments to the budgets to cater for COVID 19 expenditure. Due to the nature of the pandemic, budget planning and implementation does become difficult and this would impact on how the Municipality implements its programmes for the year. The possibility of 2 budgetary adjustments would assist the Municipality to amend the budget accordingly within a prescribed statutory process.

12.3 FURTHER CONSIDERATIONS IN ADDRESSING COVID 19 RESPONSES

Below are some future considerations for the municipality. Whilst the list of possibilities is not exhaustive it provides us with an understanding that whilst we are in crisis, we need to look at opportunities that this pandemic would bring about in changing the organization.

12.3.1 COMMUNITY LEVEL DATA

There needs to be better understanding of the spread and transmission of the virus at a community level. This would require disaggregated data, surveillance, diagnostic testing, monitoring systems that ensure up-to-date information at a community level.

12.3.2 COMMUNITY ENGAGEMENT

The Municipality must continue to implement measures that would assist in slowing down the transmission of the virus through constant simple communication tools in all languages that reaches all citizens Eg structure communication tools to meet the needs of all age groups and persons with special needs. Investment in these tools at this stage would also assist the Municipality in the future as it creates additional participation platforms across varied stakeholders.

12.3.3 HIGH RISK GROUPS

Focus attention on populations groups that are at a higher risk of contracting the virus. Attention needs to be paid to limiting the transgressions amongst these groups through targeted measures to protect them.

12.3.4 REDUCING THE SURGE ON HEALTH CARE FACILITIES

Implement measures to reduce risk of transmissions within health care facilities. As case numbers grow there is a need to ensure that critical need patients have access to medical facilities. To prevent the health system from being overwhelmed innovative means of diagnosis should be considered Eg, telephonic consultations with a qualified medical expert, access to

mental health practitioners via various technological platforms, access to counsellors. Health care facilities would also need to review their triage processes and facilities to assist in providing fast and efficient medical diagnosis.

12.3.5 DEVELOPING A CULTURE OF WORKING FROM HOME

The pandemic has given the City an opportunity to review its Processes, Structures, People and Technology. As organizations we need to prepare ourselves for the “new normal” by ensuring that the organizations are efficient, productive and safe for both onsite and remote works force. The demand for our workforce to work remotely and to observe social distancing is creating a new set of challenges for both managers and employees alike. Workplace safety has also become an even more important issue post this Covid-19 pandemic. A review of the work processes would assist in transitioning to the “new normal”.

PART I

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BEPP	Built Environment Performance Plan
BNG	Breaking New Ground
BoP	Back of Port
CBD	Central Business District
CBO	Community-Based Organisation
CIC	Capital Investment Committee
CIF	Capital Investment Framework
CMDA	Cato Manor Development Association
CMPR	Central Municipal Planning Region
CPC	City Planning Commission
CRU	Community Residential Units
CSIR	Council for Scientific and Industrial Research
CSP	Cities Support Program
DCM	Deputy City Manager
D'MOSS	Durban Metropolitan Open Space System
DBSA	Development Bank of South Africa
DCM	Deputy City Manager
DORA	Division of Revenue Act
DPSA	Department of Public Service & Administration
DSW	Durban Solid Waste
DTP	Dube Trade Port
DWA	Department of Water Affairs
EIA	Environmental Impact Assessment
EMA	eThekweni Metropolitan Authority
EMF	Environmental Management Framework
EPWP	Expanded Public Works Programme
ETA	eThekweni Transport Authority
EWS	eThekweni Water Services
FAP	Functional Area Plans
FAR	Floor Area Ratio
GDP	Gross Domestic Product
HDA	Housing Development Agency
HPPTN	High Priority Public Transport Network
HSDG	Human Settlements Development Grant
IAMP	Integrated Infrastructure Asset Management Plan
ICDG	Integrated Cities Development Grant
ICT	Information & Communications Technology
IDP	Integrated Development Plan
ILO	International Labour Organisation
IMR	Infant Mortality Rate
INEPG	Integrated National Electrification Programme Grant
INK	Inanda Ntuzuma KwaMashu
IRM	Infrastructure Reporting Model
IRPTN	Integrated Rapid Public Transport Network

ITP	Integrated Transport Plan
IZ	Integration Zone
KPI	Key Performance Indicator
KSIA	King Shaka International Airport
KZN	KwaZulu-Natal
KZNPG DS	KwaZulu-Natal Provincial Growth and Development Strategy
LED	Local Economic Development
LEFTEA	Less Formal Township Establishment Act
LUF	Land Use Framework
LUMS	Land Use Management System
MCPP	Municipal Climate Protection Programme
Metro	Metropolitan Municipality
MFMA	Municipal Financial Management Act
MSA	Municipal System Act
MTREF	Medium Term Revenue and Expenditure Framework
NDP	National Development Plan
NDPG	Neighbourhood Development Partnership Grant
NDPP	Neighbourhood Development Partnership Program
NEMA	National Environmental Management Act
NGO	Non-Government Organisation
NHBR C	National Home Builders Registration Council
NHRA	National Heritage Resource Act
NMPR	Northern Municipal Planning Region
NMT	Non-Motorised Transport
MOF	Ministry of Finance
NPC	National Planning Commission
NPO	Non-Profit Organisation
NSDP	National Spatial Development Perspective
NT	National Treasury
PGDS	Provincial Growth & Development Strategy
PPF	Project Preparation Facility
PPP	Public-Private Partnership
PPT	Project Preparation Trust
PSP	Professional Service Provider
PTIG	Public Transport Infrastructure Grant
RFP	Request for Proposals
ROI	Return on Investment
SCM	Supply Change Management
SCM	Supply Chain Management
SDBIP	Service Delivery Business Implementation Plan
SDF	Spatial Development Framework
SDP	Spatial Development Plan
SEZ	Special Economic Zone
SIP	Strategic Infrastructure Projects

SMME	Small, Micro and Medium Enterprises
SMPR	Southern Municipal Planning Region
SOE	State Owned Entity / Enterprise
SPLUMA	Spatial Planning and Land Use Management Act
TEU	Twenty Foot Equivalent
UN	Urban Network
UNS	Urban Network Strategy
USDG	Urban Settlements Development Grant
WMPR	Western Municipal Planning Region
WSA	Water Services Authority
WSDP	Water Services Development Plan
WTW	Water Treatment Works